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**F. No. 22/01/2024-DGTR  
Government of India  
Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Trade Remedies)  
4<sup>th</sup> Floor, Jeevan Tara Building 5, Parliament Street, New Delhi – 110001**

**Dated: 16<sup>th</sup> August 2025**

**FINAL FINDINGS  
Case No. SG-01/2024**

**Subject: Safeguard Investigation concerning imports of “Non-Alloy and Alloy Steel Flat Products”.**

**A. BACKGROUND OF THE CASE**

1. **F. No. 22/01/2024-DGTR.** The Indian Steel Association (“ISA” or the “Applicant”), on behalf of its Members, namely, *a)* ArcelorMittal Nippon Steel India Limited and its then related entity AMNS Khopoli Limited, *b)* JSW Steel Limited and its two related entities namely JSW Steel Coated Products Limited, and Bhushan Power & Steel Limited, *c)* Jindal Steel and Power Limited, and *d)* Steel Authority of India Limited (collectively referred to as “applicant companies”) filed an application before the Director General (hereinafter referred to as the “Authority”, or “DG” or “Director General”) under Section 8B of Customs Tariff Act, 1975 (hereinafter referred to as “the Act”), read with the Customs Tariff (Identification and Assessment of Safeguard Measures) Rules, 1997 (hereinafter referred to as “the Rules”) seeking imposition of Safeguard Duty on imports of “Non-Alloy and Alloy Steel Flat Products” (hereinafter referred to as “PUC” or “Product Under Consideration” or “subject goods”) into India.

2. The Applicant alleges that there is a recent, sudden, sharp and significant increase in the volume of imports, which has caused serious injury to the domestic industry in India. The Applicant further alleges that imports have taken place in such increased quantities and under such circumstances to cause and threaten to cause serious injury to the domestic industry. The Applicant seeks imposition of safeguard duties to protect the domestic industry engaged in the production of like products or directly competitive products from such serious injury and threat thereof being caused by the imports of PUC.

3. The Authority, vide notice dated 19<sup>th</sup> December 2024, initiated the present safeguard investigation under Rule 5(3) of the Rules after examining the accuracy and adequacy of the evidence provided in the application and satisfied itself that there is sufficient *prima facie* evidence regarding: *a)* recent, sudden, sharp and significant increase in imports, *b)* serious injury and threat of serious injury to the domestic industry, and *c)* a causal link between the increased imports and serious injury and threat thereof.

4. On March 18, 2025, the Authority issued a preliminary finding recommending imposition of a provisional safeguard duty of 12% for a period of 200 days, subject to a price benchmark, as mentioned in paragraph 342 of the preliminary findings. Vide Notification No. 01/2025-Customs (SG) dated April 21, 2025, the Central Government imposed provisional

safeguard duty as recommended by the Authority for a period of 200 days. The said provisional duty is in force till November 7, 2025.

## B. PROCEDURE

5. A brief description of the procedure adopted by the Authority is described below:
  - a) The Authority initiated the current investigation vide initiation notification No. 22/01/2024-DGTR dated 19 December 2024, published in the Gazette of India Extraordinary Part I No. 337 dated 19<sup>th</sup> December 2024 vide CG-DL-E 202122024-259547
  - b) In accordance with Rules 6(2) and 6(4), copies of the initiation notification and the non-confidential version (NCV) of the application were forwarded to the embassies of the exporting countries, the known exporters, importers and users of the subject goods, and the concerned associations.
  - c) The interested parties including the embassies of the exporting countries, producers, exporters, importers and users were granted 15 days' time initially to file their responses. Thereafter, the Authority considered the requests of various interested parties and granted an extension of time up to 22<sup>nd</sup> January, 2025 to file their responses.
  - d) The Authority sent questionnaires to the following known producers/exporters in the exporting countries in accordance with Rule 6(4) of the Rules:
    1. Rizhao
    2. Betai Iron & steel
    3. Baotou Iron and Steel Group
    4. Jiangsu Shagang Group Company Limited
    5. Tonghua Iron Steel Group Corporation
    6. Angang Steel Company
    7. Nanjing Iron and Steel
    8. Tangshang Iron & Steel
    9. Wuhan Iron and Steel
    10. Tianjin Iron & Steel Group Co Ltd
    11. Shanghai Color Steel Co. Ltd
    12. Baosteel Group Corporation
    13. Aosen Steel
    14. Nippon Sumitomo
    15. JFE Steel Corporation
    16. Kobe
    17. Nisshin Steel Co., Ltd.
    18. POSCO

19. Hyundai Steel Co Ltd
20. Dongkuk Steel Mill Col Ltd.
21. Severstal
22. EVRAZ
23. Magnitogorsk Iron and Steel
24. Krakatau Steel
25. Growth Steel
26. PT. Gunawan Dianjaya Steel, Tbk
27. ArcelorMittal, Ukraine
28. PJSC “Nikopol Ferroalloy Plant”
29. ArcelorMittal Germany Holding GmbH
30. ArcelorMittal Italia
31. Steel Coat Europe Alleur (Arcelor Mittal)
32. ThyssenKrupp Steel Europe AG
33. SSAB
34. Metal Trade Comax
35. Voestalpine AG
36. Huttenwerke Krupp Mannesmann
37. Salzgitter Group

- e) The following parties either registered their interest in the investigation and/or filed submissions:

S N	Name of Interested Party	S N	Name of Interested Party
1.	Embassy of Taiwan	2.	KAD & CO. (AGENCY) PVT. LTD.
3.	Embassy of Korea	4.	Shanker Mercantile Pvt Ltd. SMPL
5.	Embassy of Indonesia	6.	JayaSprings
7.	British High Commission	8.	Welspun Corp Limited
9.	Embassy of Russia	10.	Leomet Alloys
11.	High Commission of Malaysia	12.	DMC AUTOMOTIVE PRIVATE LIMITED
13.	Embassy of Saudi Arabia	14.	Daeseong India Automotice Pvt Ltd.
15.	Embassy of Japan	16.	DAECHANG SEAT AUTOMOTIVE PVT LTD
17.	Ministry of Industry and Trade of VietNam	18.	KSH Automotive private Limited
19.	Embassy of Spain	20.	Jeanuvs Pvt Ltd
21.	Embassy of Turkey	22.	Aarya Trading Pvt Ltd
23.	Embassy of UAE	24.	Fine Components and Tools Pvt Ltd.
25.	Embassy of European Union	26.	Tadpole Engineering Consultancy Pvt Ltd

S N	Name of Interested Party	S N	Name of Interested Party
27.	Embassy of Brazil	28.	Sungwoo Stamping India Pvt Ltd.
29.	Embassy of Mexico	30.	Pyung Hwa India Private Limited PHI
31.	Ministry of Commerce, Thailand	32.	Vestas Wind Technology India Pvt Ltd.
33.	Embassy of Sweden	34.	PENNAR INDUSTRIES LIMITED
35.	Aktien-Gesellschaft der Dillinger Hüttenwerke	36.	V W IMPEX
37.	Vina One Steel Manufacturing Corporation	38.	VYOMA EXIM PVT LTD
39.	Tay Nam Steel manufacturing and Trading Co., Ltd.	40.	G G STEELS
41.	Nippon Steel Trading Corporation	42.	YSI Automotive Pvt Ltd
43.	Nippon Steel Corporation	44.	SRK International
45.	JFE Steel Corporation	46.	Gestamp Automotive Channai Pvt Ltd
47.	Kobe Steel, Ltd	48.	UE PRESS TOOLS PRIVATE LIMITED
49.	Toyota Tsusho Corporation	50.	Society of Indian Automobile Manufacturers (SIAM)
51.	JFE Shoji Corporation	52.	Satoshoji-India Pvt Ltd
53.	Toyota Tsusho Corporation	54.	SKH M India Pvt.Ltd.
55.	Ministry of Trade, Industry and Energy, Republic of Korea	56.	Krishea Strapping Solutions Limited
57.	JFE Shoji India Pvt. Ltd.	58.	POS-Hyundai Steel Mfg. (I) Pvt Ltd.
59.	Nippon Steel Pipe India Private Limited	60.	TT STEEL SERVICE INDIA PRIVATE LIMITED
61.	The Rajasthan Prime Steel Processing Center Pvt. Ltd	62.	STEEL & BEARING CORPORATION
63.	Nissan Trading Co., Ltd	64.	Colorshine India Pvt Ltd
65.	Renault Nissan Automotive India Private Limited	66.	CHIRALI ENTERPRISES"
67.	Honda Trading Corporation India Pvt Ltd.	68.	Maruti Suzuki India Ltd
69.	Nippon Steel Trading Corporation	70.	1. PCA AUTOMOBILES INDIA PRIVATE LIMITED 2. GRUPO COSMOS INDIA PRIVATE LIMITED 3. PENNAR INDUSTRIES LIMITED
71.	The Japan Iron and Steel Federation	72.	NRB Bearing Ltd.
73.	GS Global Corp	74.	Karison Profiles Pvt Ltd.
75.	Hyundai Corporation	76.	Sungwoo Hi-tech AP Pvt Ltd.
77.	Hyundai Steel Company	78.	Daechang India Seat Co.Pvt.Ltd
79.	Hyundai Motor India Ltd	80.	Hwashin Automotive India Pvt Ltd.
81.	Hoa Sen Group	82.	JBM OGIHARA AUTOMOTIVE INDIA Pvt Ltd
83.	Samsung C&T Corporation	84.	Tata Motors Group

S N	Name of Interested Party	S N	Name of Interested Party
85.	Hyosung TNC Corporation	86.	Purohit Steel India Ltd
87.	JIANGYIN XINGCHENG SPECIAL STEEL WORKS CO., LTD.	88.	Global Trade Research Initiative
89.	ANGANG STEEL CO., LTD	90.	HL Mando Anand India Pvt Ltd,
91.	BENGANG STEEL PLATES CO., LTD	92.	Mahindra & Mahindra
93.	1. Chengde Chengsteel Vanadium & Titanium Cold Rolling Thin Plate Co., Ltd.”, 2. HBIS COMPANY LIMITED HANDAN BRANCH”, 3. HBIS Laoting Iron and Steel Co., Ltd.” 4. Wuyang Iron And Steel Co., Ltd.”,	94.	Mahindra Defence Systems Limited
95.	JIANGYIN XINGCHENG SPECIAL STEEL WORKS CO., LTD	96.	NLMK India Service Center Private Limited
97.	SHOUGANG QIAN'AN IRON and Shougang Jingtang United	98.	Hella India Automotive Pvt. Ltd.
99.	1. HYUNDAI STEEL COMPANY, Korea RP 2. HYUNDAI STEEL PIPE INDIA Pvt. Ltd. 3. HYUNDAI STEEL ANANTAPUR Pvt. Ltd. 4. HYUNDAI STEEL INDIA Pvt. Ltd.	100.	Sansera Engineering Limited,
101.	Jindal India Pvt	102.	Ashok Leyland Defence Systems Ltd
103.	Kia India Private Limited	104.	Ashok Leyland Limited
105.	Man Industries India Ltd	106.	IBF Automotive Pvt Ltd
107.	Ratnamani Metals & Tubes Ltd.	108.	Sincerity Innovation Technology India Pvt Ltd
109.	Welspun Corp Limited	110.	Talbro's Automotive Components Ltd
111.	Jindal India Ltd	112.	Riddhi Siddhi Special Steel Pvt Ltd
113.	Mega Pipes Private Ltd.	114.	Hariom Pipe Industries Limited
115.	Ratnamani Metals & Tubes Limited	116.	Velmurugan Heavy Engg.Inds.Pvt.Ltd.,
117.	Hyundai Motor India Ltd	118.	Federal Mogul TPR India Limited
119.	China Iron & Steel Association	120.	Polyhose Sato shoji metal works Pvt ltd
121.	Vietnam Steel Association	122.	INDIA METAL ONE STEEL PLATE PROCESSING PVT. LTD
123.	Indian Pipe Manufacturers Association	124.	Kirti Pressings Pvt. Ltd.
125.	Steel Users Federation of India (SUFI)	126.	JBM Auto Limited
127.	LG Electronics India Pvt. Ltd.	128.	FERRUM EXTREME ENGINEERING PVT. LTD.

S N	Name of Interested Party	S N	Name of Interested Party
129.	Metal One Corporation India Private Limited (“MOCIPL”)	130.	MACHANI RAMESH ENGINEERING PVT LTD
131.	Shivalik Bimetal Controls Limited	132.	PHA India Pvt Ltd
133.	Godrej and Boyce Mfg Co Ltd	134.	Katsushiro Matex India Pvt. Ltd,
135.	Kirco Steel LLP	136.	Tata Steel Downstream Products Limited
137.	Metal One Corporation	138.	Taehwa Enterprises (I) Pvt. Ltd.
139.	POSCO Maharashtra Steel Private Limited	140.	Panasonic Life Solutions India Pvt. Ltd.
141.	POSCO India Pune Processing Center Private Limited	142.	Pushpanjali Drums Private Limited
143.	POSCO India Processing Centre Private Limited	144.	K M Seat Company Pvt Ltd.
145.	POSCO	146.	RIKUN Manufacturing Private Limited
147.	POSCO STEELEON	148.	Kumkang Machinery India Pvt Ltd
149.	Hyundai Corporation	150.	Leomet Alloyes
151.	Dongkuk Coated Metal CO. LTD	152.	Kwangsung Brake India Pvt Ltd.,
153.	Dongkuk Steel India Private Limited	154.	Komos Automotive India Pvt Ltd
155.	Sevarstal	156.	Action Construction Equipment Ltd. ACE
157.	Hyosung TNC Corporation	158.	L.G.BALAKRISHNAN & BROS.LTD.,
159.	NAM KIM STEEL JOINT STOCK COMPANY	160.	AHMEDABAD STRIPS PW. LTD
161.	NLMK Verona S.p.A	162.	Sterling & Wilson Renewables Energy Ltd
163.	NLMK Clabecq S.A	164.	M & B Engineering Limited
165.	NLMK Plate Sales S.A.	166.	Dali & Samir Engg. pvt. Ltd.,
167.	JFE Shoji Steel Malaysia Sdn Bhd	168.	Gestamp Automotive India Pvt . Ltd.
169.	CSC Steel Sdn Bhd	170.	Fiat India Automobiles Pvt Ltd
171.	Formosa Ha Tinh Steel Corporation (FHS)	172.	CIE Automotive India Ltd.
173.	TVP Steel Trading Joint Stock Company	174.	Emitec Technologies India Private Limited
175.	POSCO International Corporation, Korea RP	176.	Gartech Equipments Pvt. Ltd
177.	KG DONGBU STEEL CO.,LTD	178.	Gargs Engineers
179.	Mitsui & Co., Ltd	180.	Daimler India Commercial Vehicles Pvt. Ltd.
181.	Stainless Steel Merchants’ Association	182.	Chasys Automotive Components Pvt. Ltd.
183.	Federation of Associations of Maharashtra	184.	Tarun International Limited
185.	The Japan Iron and Steel Federation	186.	Arcedges Building India LLP
187.	Automotive Component Manufacturers Association of India	188.	Veegee Industrial Enterprises Pvt. Ltd.

S N	Name of Interested Party	S N	Name of Interested Party
	(ACMA)		
189.	Indian Pipe Manufacturers Association (IPMA)	190.	Maxglobal Techno Systems (P) Limited
191.	Korea Iron and Steel Association(KOSA)	192.	Stitch Overseas Private Limited
193.	Federation of Kutch Industries Associations (FOKIA)	194.	CSCI Steel Corporation India Pvt. Ltd.
195.	Taiwan Steel & Iron Industries Association (TSIIA)	196.	SKH SHEET METALS COMPONENTS PVT. LTD
197.	METAL & STAINLESS STEEL MERCHANTS ASSOCIATION	198.	WKM Automotive India Pvt. Ltd.
199.	Construction Federation of India	200.	AVIZA TECHNOLOGIES,
201.	LG Electronics India Pvt. Ltd	202.	J.R. & CO. complete steel service
203.	MANAKSIA STEELS LTD	204.	All India Metal corp
205.	SSMS STEELS INDIA LLP	206.	MI ELECTRICAL STEEL PROCESSING INDIA PVT LTD
207.	ARUN AGARWAL (Micro MSME)	208.	GEDIA India Automotive Components Pvt Ltd.
209.	Blupine Energy	210.	AISIN Automotive Haryana Pvt. Ltd.
211.	Turakhia International Pvt Ltd	212.	Samsung India Electronics Private Limited
213.	VINOD COOKWARE INDIA PRIVATE LIMITED	214.	POSCO International Corp India Pvt Ltd
215.	Isgec Heavy Engineering Limited	216.	Stecol International Private Limited
217.	Isgec Hitachi Zosen Limited	218.	Neemrana Steel service center India Private Limited
219.	LARSEN & TOUBRO LTD	220.	Kwangjin India Autosystems Pvt Ltd
221.	CU-BUILT ENGINEERS PVT. LTD.	222.	SL Lumax Ltd
223.	M/s. JAY BHARAT MARUTI LTD and M/s. MARUTI SUZUKI INDIA LIMITED	224.	Wooyoung Automotive India Pvt. Ltd.,
225.	NTECK AUTOMOTIVE PVT. LTD.	226.	Hyundai Transys Lear Automotive IND Pvt Ltd.
227.	TI Fluid Systems	228.	NVH India Auto Parts Private Limited
229.	CSCI Steel Corporation India Pvt. Ltd.	230.	HSI Automotives Pvt. Ltd
231.	Sharda Motor Industries Ltd	232.	Uno Minda Limited
233.	Sankei Giken India Pvt Ltd	234.	GRI Towers India Private Limited
235.	JBM Group	236.	Senvion Wind Technologies Pvt Ltd
237.	Exedy India Limited	238.	Hyosung Corporation India Ptv. Ltd
239.	Sanoh India Private Limited	240.	Komatsu India Pvt Ltd
241.	SRK Steel	242.	TAIIN Steel Fab & Infra Pvt.Ltd.
243.	Schaeffler India Limited	244.	Shri Balaji Sai Steels
245.	Toyota Boshoku device India Pvt. Ltd	246.	Jain Bros.

S N	Name of Interested Party	S N	Name of Interested Party
247.	DAEBU Automotive seat India Pvt Ltd	248.	Ratnadeep Steel Traders Iron & Steel Merchants
249.	SSAB Swedish Steel India Private Limited	250.	Ranka Steels
251.	Windar Renewable Energy Pvt Ltd	252.	Mahek Ispat Private limited
253.	Durga Ispat Udyog	254.	Geeta Udyog Iron & Steel Merchant
255.	SK Aggarwal & Co.	256.	Mercury Steel Agency
257.	Hide Industries	258.	Meenakshi Steel Corporation
259.	Jindal Stainless Limited	260.	Mercury Steel Pvt Ltd
261.	Heena Steel LLP	262.	Metal Trading Company
263.	Narmada Iron & Associates P Ltd	264.	Mittal Agencies
265.	Bharatkumar Indrasen Trading Pvt Ltd.	266.	Bajaj Industrial Alloys Pvt Ltd
267.	Rajam Steel Traders	268.	Mandot Steel
269.	Assam Roofing Limited	270.	Sree Arumuga Steel Traders
271.	Global Trade Research Initiative	272.	Hindustan Hardwares

- f) After initiation of investigation, the Authority obtained DGCIS data for the relevant period and considered the same in these findings. The injury and other information in respect of DI are based on the company specific data of the petitioners.
- g) The Authority conducted a verification of the data submitted by the applicant companies to the extent considered necessary. It cross-checked the information provided in the application with the financial records maintained by each applicant company.
- h) Considering that the investigation period should be adequately long and sufficiently recent in time to allow reasonable conclusions to be drawn on the basis of various relevant factors such as domestic market conditions, performance of DI etc, the Authority considers that the period mentioned in the Initiation Notice to be appropriate. Accordingly, the Authority has taken 1st October 2023 to 30th September 2024 as the most recent period or the period of investigation (POI), and FY 2021-22, 2022-23, 2023-24 and the POI as injury investigation period or injury analysis period for the purposes of this investigation.
- i) The Authority made available the non-confidential version of the evidence presented by various interested parties on mutual basis in the manner prescribed through Trade Notice No. 10/2018 dated 7 September 2018. The information / submissions provided by the interested parties on a confidential basis were examined concerning the sufficiency of such confidentiality claims. On being satisfied as to the sufficiency of the confidentiality claims filed by the interested parties, the Authority has considered such information/submissions as confidential. In case of non-acceptance of confidentiality claims, the interested parties were directed to submit the non-confidential version of the same and circulate it to the other interested parties.
- j) The Government of Korea RP and the Government of Japan requested the Authority to hold consultations. The Authority considered their request and held consultations with the representatives of the Government of Korea on 24.01.2025 and with the representatives of Government of Japan on 29.01.2025. The issues raised during the consultations have been appropriately addressed in these findings.



- k) The Authority issued a preliminary finding on March 18, 2025. Parties were permitted 30 days-time to file their comments on the same.
- l) The Authority held an oral hearing on 5<sup>th</sup> and 6<sup>th</sup> July 2025. Parties were permitted time till of 7 days from the date of the oral hearing to file their written submissions, and 10 days from the date of filing the written submissions to file their rejoinders.
- m) ‘\*\*\*\*’ in this document represents information furnished by an interested party on a confidential basis and so considered by the Authority under Rules 7 of Rules.
- n) The Authority has considered all the arguments raised and information provided by all the interested parties to the extent the same are supported with evidence and considered relevant to the present investigation.
- o) The exchange rate for the POI was 1 US\$ = Rs. 83.09.

### **C. SUBMISSIONS OF INTERESTED PARTIES**

6. Several interested parties made various submissions during the course of the investigation. Parties also made submissions regarding the scope of the PUC. All submissions and comments received regarding the scope of the PUC is recorded in the portion of these final findings titled “Product Under Consideration”. The submissions of the parties regarding other issues are recorded in this section.

#### **I. Submissions of the Domestic Industry**

- 7. The domestic industry made the following submissions:
  - i. The applicant companies have the standing to file the application as their collective output of the like article or a directly competitive article in India constitutes a major proportion of the total production of the said article in India;
  - ii. Global Trade Research Initiative (“GTRI”) cannot be considered as an “interested party” in terms of Rule 2(b) of the Safeguard Rules. Therefore, the submissions made by GTRI must be disregarded.
  - iii. Neither the Customs Tariff Act, nor the Safeguard Rules mandates the holding of a public hearing prior to the issuance of the preliminary findings.
  - iv. The Authority, after issuing the preliminary findings, has given an opportunity to all interested parties to file comments, which would be considered in the final findings.
  - v. The Madras High Court has held that there is no mandate for the Authority to provide an opportunity for hearing prior to issuance of the preliminary findings.
  - vi. The oral hearing was conducted on 5<sup>th</sup> and 6<sup>th</sup> June 2025. Interested parties were provided ample opportunity to speak during the hearing.
  - vii. The presentation displayed by the domestic industry during the oral hearing was circulated to all interested parties in the written submission.
  - viii. Any variance in comparable time periods is to assist the Ld. DG to make a proper and holistic comparison between financial years, calendar years and period of investigation

with the respective previous years.

- ix. The DI has provided production and costing details segregated in terms of the five categories of the PUC. Certain categories of the PUC are only produced by a few of the constituent parties of the domestic industry, not by all. Disclosing the actual aggregate data for each product category could inadvertently reveal sensitive information about individual producers, making the data identifiable at the party level.
- x. Neither the Agreement on Safeguards, the Act or the Rules provides any guidance as to how the PUC must be defined.
- xi. In Dominican Republic – Safeguard Measures and EU – Steel Safeguard (Turkey), the Panel held that different types of products which are not inter-se substitutable, may be included within the scope of the PUC.
- xii. The EU had included 26 different product categories in its safeguard investigation concerning “certain steel products”. The Panel held that there is no requirement to demonstrate that each product category is like or directly competitive with other category/ies.
- xiii. The PUC is Non-Alloy and Alloy Steel Flat Products, namely a) Hot Rolled (“HR”) coils, sheets and plates, b) HR Plate Mill Plates, c) Cold Rolled (“CR”) coils and sheets, d) Metallic Coated Steel coils and sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium, and e) Colour Coated coils and sheets, whether or not profiled.
- xiv. Certain interested parties have requested for exclusion of certain grades from the scope of the PUC. However, some exclusion requests are vague and broad, covering a wide category of products.
- xv. The DI has submitted various invoices demonstrating sales of “like or directly competitive articles”.
- xvi. The DI is not required to demonstrate that it manufactures products with identical technical specifications.
- xvii. Products that are not “like” the imported goods may still be covered within the definition of the PUC if they are “directly competitive”.
- xviii. The test for “likeness” typically involves an evaluation of the product characteristics such as physical and chemical characteristics, end-usage, consumer preferences, etc.
- xix. Directly competitive products are substitutable or interchangeable with one another and “offer alternative ways of satisfying a particular need or taste”.
- xx. Domestically produced products and imported products may be considered as “like articles” even if the two do not share identical physical characteristics or are not perfect substitutes of one another, as long as the imported product has the capacity to cause serious injury to the domestic producers through some form of competitive impact.
- xxi. While evaluating whether the domestically produced goods are directly competitive with the imported goods, the examination must be done on a general level, and the needs and preferences of each and every producer is not relevant.
- xxii. Even if the domestically produced goods do not match the exact and precise technical

specifications as that of the identified goods, the DG must examine whether the domestically produced goods have a “capacity to compete” or “offer alternative ways of satisfying a particular need or taste”.

- xxiii. Merely because certain consumers choose to utilize imported grades with certain specifications does not mean that there exists no competitive relationship between those the imported grades and the domestically produced grades.
- xxiv. The burden of proof lies on the party that requests for product exclusion to prove that the domestic industry does not manufacture the like or directly competitive product.
- xxv. The burden of proof must be discharged with respect to each grade for which exclusion is sought. Parties cannot simply mention the names of the grade and provide general assertions that the domestic industry is unable to manufacture the like or directly competitive product.
- xxvi. Nippon Steel Corporation, JFE, Kobe Steel Ltd., Nippon Steel Pipe India Pvt. Ltd., Honda Trading Corporation India Pvt. Ltd., Rajasthan Prime Steel Processing Centre Pvt. Ltd., Renault Nissan Automotive India Pvt. Ltd. and JFE Shoji India Pvt. Ltd., JFE Steel Corporation, Nippon Steel Corporation have requested for exclusion of 309 grades of steel, but has made only vague assertions without providing any evidence whatsoever for any of the 309 grades that the domestic industry does not manufacture like or directly competitive articles.
- xxvii. LG and Godrej have provided emails from AMNS, Tata Steel and JSW regarding inability to supply the grades. However, it has not provided any evidence to prove that the other domestic producers are unable to supply the said grades. Further, Tata Steel is not an applicant.
- xxviii. The like or directly competitive grades for which Metal One Corporation, Shivalik Bimetals and Manaksia Steel have sought exclusion have been supplied by the domestic industry. Invoices have been provided in this regard.
- xxix. POSCO Korea, POSCO SteelOn and POSCO Maharashtra Steel Pvt. Ltd. have not provided any evidence to demonstrate that any of the grades for which they seek exclusion cannot be manufactured by the domestic industry.
- xxx. CSCI’s request for exclusion of HR required to make electrical steel may not be accepted since the DI produces the like or directly competitive article.
- xxxi. In previous safeguard investigations, the Authority has recommended imposition of the duties despite the DI’s inability to meet the entire domestic demand.
- xxxii. The Tribunal has held that quality differences are not sufficient grounds for seeking product exclusions.
- xxxiii. The argument that Japan and Korea have exported superior quality grades at higher price is not true since the import prices and volumes from these countries are comparable with the import prices from China and the average import prices.
- xxxiv. Various QCOs have been issued for steel products to ensure the quality of the steel grades.
- xxxv. If BIS standards are insufficient, the interested parties may seek revision of the said

standard before the BIS Technical Committee.

- xxxvi. The DI has been granted approvals and recognitions regarding the quality of the grades supplied by them.
- xxxvii. Imports by AMNS does not disentitle it from being considered as a part of the domestic industry.
- xxxviii. The Safeguard Rules do not exclude importing applicants from the domestic industry.
- xxxix. Imports by AMNS are miniscule in comparison to the total production..
- xl. The user questionnaire filed by AMNS does not affect its position since it has filed letters stating that it aligns itself with the other applicant companies.
- xli. In the solar safeguard investigation, the Authority excluded only those entities that entirely imported solar cells, but did not manufacture the same.
- xlii. In the safeguard investigation concerning Isopropyl Alcohol, the Authority did not disqualify an applicant from the domestic industry despite the fact that the imports by the applicant amounted to a significant percentage of its total production capacity..
- xliii. There is a recent, sudden, sharp and significant increase in imports of the PUC as a whole, as well as in each of the five product categories, in each of the three methodologies presented by the applicant in the petition..
- xliv. In EU – Steel Safeguards (Turkey), the Panel noted that the only requirement is to demonstrate an increase in imports for the PUC as a whole, which may be supplemented at a product-category level.
- xlvi. In the EU’s investigation, the European Commission defined the product under consideration as “certain steel products”, which comprised of 26 different “product categories”. For the sake of analysis, the EC grouped the 26 different “product categories” into three “product families”, namely, “flat products”, “long products” and “tubes”. In its examination of import trends, the EC found that four product categories showed a decline in imports during the most recent period and 15 product categories showed a less than 10% increase in imports during the most recent period. Further 2 product families showed decline in imports during the most recent period. Yet the panel found no inconsistencies in EU’s investigation.
- xlvi. Under the Agreement on Safeguards, no country-specific exemptions is permissible except for developing countries.
- xlvi. Under the India – Korea FTA, India may exclude Korea from the safeguard measure only if Korea is not a substantial cause of serious injury or threat thereof. However, import volumes from Korea are the highest and prices are also low during the POI.
- xlvi. There is no requirement under the Act or the Rules for the Authority to examine whether the increase in imports is as a result of “unforeseen developments”.
- xlix. The word “unforeseen” has been interpreted to mean “unexpected” and not “unforeseeable”. It must be examined whether the event was “unforeseen” while undertaking GATT obligations.
- 1. The recent, sudden, sharp and significant increase in imports occurred due to the

confluence of: a) trade protection measures against steel products; b) the global excess capacity coupled with slowing demand; and c) changes in ASEAN trade patterns.

- li. Other countries have imposed a total of 129 trade remedy measures between 2019 and 2023 on steel products. As of date, the WTO's database shows that 520 anti-dumping measures and 89 countervailing duties are currently in force against all steel products.
- lii. In addition to trade remedy measures, several countries including the US, Mexico, Canada and Brazil have imposed tariffs on steel products.
- liii. In EU – Steel Safeguards (Turkey), the Panel noted that rise in trade remedy measures can be considered as unforeseen developments.
- liv. The capacity in China, Korea and Japan far exceeds their demand. OECD predicts a further increase in excess capacity.
- lv. In EU – Steel Safeguards (Turkey), the Panel noted that the increase in excess capacity can constitute unforeseen developments.
- lvi. Since the imposition of the US Section 232 measures, there has been a decline in imports of steel flat products into the US. Further, EU has also reported a decline in imports of steel products subsequent to the imposition of trade remedy measures.
- lvii. China has increased its investments in steel production facilities in ASEAN region.
- lviii. The OECD and World Steel Association has reported sufficient excess capacity in Finished Steel, which is a good indicator for excess capacity in flat steel or the PUC.
- lix. There is a clear correlation between China's three red lines policy and the increase in production of steel flat products.
- lx. The increase in imports has occurred as a result of the effect of obligations incurred by India under the GATT, including tariff concessions, and obligations under GATT Articles I, XI, and XVI.
- lxi. The global export price of HR Coils in May 2025 was USD 450 per MT, which was lower than the price prevailing in May 1995, i.e., 30 years ago. By adding the applicable customs duty and the provisional safeguard duty of 12%, the landed value of HR Coils will still be lower than the selling prices of the domestic industry.
- lxii. World Steel Dynamics (WSD) states that Chinese mills are exporting at USD 450 per MT as against an operating cost of USD 527 per MT, i.e., at an operating loss of USD 87 per MT.
- lxiii. The domestic industry is suffering from decline in profitability, and in some cases, losses.
- lxiv. The production and capacity of the DI has increased in order to keep up with the demand. Further, blast furnaces must operate continuously and are not designed to be shut down. Therefore, in order to mitigate losses as a result of low priced imports, the domestic industry was constrained to incur significant losses.
- lxv. The global overcapacity has increased to unprecedented levels, which poses a threat of serious injury to the domestic industry.
- lxvi. Despite the increase in cost of sales, there is significant price undercutting.

- lxvii. Merely because the domestic industry has earned profits during F.Y. 2021-22 does not mean that such profits were ‘abnormal’.
- lxviii. China poses a threat of serious injury since the Steel prices in China have declined, the Chinese blast furnaces are operating at 90% capacity, production of steel has continued to increase since 2018, there is a decline in domestic demand due to a decline in investments in infrastructure projects.
- lxix. Between January and April 2025, the domestic demand in China fell by 6 MMT and is expected to fall by 30 MMT by the end of the year.
- lxx. In calendar year 2024 alone, China exported 110.7 MMT of steel. In the first three months of the calendar year 2025, China exported 27.4 MMT of steel. China’s exports of flat steel products increased by 25% in 2024 compared to 2023.
- lxxi. In 2025 alone, China has been subjected to 19 trade remedy initiations / measures.
- lxxii. The US has increased the rate of the Section 232 duties from 25% to 50% and has revoked all country exemptions previously granted. Further, the US has imposed reciprocal tariffs. Therefore, there is a threat of trade diversion of steel products from the US to India.
- lxxiii. Imposition of the duties would be in public interest since the national steel policy 2017 targets a total steel production of 300 MMT by 2030, which requires investments of INR 2,00,000 Crore per year till 2030.
- lxxiv. Self-sufficiency of steel is also critical for national security.
- lxxv.
- lxxvi. In the safeguard investigation of Phthalic Anhydride, the Authority noted that it is not required to justify the rate of duty in preliminary findings.
- lxxvii. The domestic industry has provided a detailed adjustment plan. Neither the Agreement on Safeguards, nor the domestic legal framework prescribe the format for providing an adjustment plan.
- lxxviii. Although the Agreement on Safeguards states that a Safeguard Measure must be imposed to facilitate adjustment of the domestic industry to the increased imports, it does not provide any guidance as to how such an adjustment must be achieved.
- lxxix. The other interested parties have failed to demonstrate why the adjustment plan provided by the domestic industry is not adequate.
- lxxx. In any case, in the previous investigations relied on by other interested parties, the absence of an adjustment plan was not the sole reason for terminating the investigation.
- lxxxi. The claim that the domestic producers will monopolise is not valid since the applicant companies are listed companies and are subject to several regulations. Further, the Competition Commission of India is the appropriate forum for addressing issues regarding anti-competitive behaviour.
- lxxxii. No evidence has been provided by any interested party that the duties will increase the price of downstream products.
- lxxxiii. The US Section 232 tariffs were not found to have caused inflation and had only a

temporary effect on overall price levels.

- lxxxiv. In previous safeguard investigations, the Authority imposed a rate of duty ranging from 10% to 35%. In the light of threat of serious injury, the 12% provisional duty is required to be enhanced.

## **II. Government of Japan**

8. The Government of Japan made the following submissions:
- a. The provisional measures lack legal basis and should be withdrawn immediately.
  - b. The identified unforeseen developments, multiple trade restrictive measures, excess capacity, declining demand, lacks supporting data and contains factual errors as well as outdated facts.
  - c. The additional 12% duty imposed does not exceed India's relevant concession or suspend any other obligation, and is not legitimate.
  - d. Japanese steel products are different from Indian products in their quality, price range, etc. They do not cause injury to the Indian industry.
  - e. Majority of imports from Japan are from Nippon Steel Corporation to AMNS. These products cannot be substituted by Indian steel products. AMNS is constructing its blast furnace in Hajira and once it becomes operational, there will be no requirement for imports.
  - f. Other Japanese imports are for specific requirements.
  - g. Japan has made significant contributions to Make in India through technological cooperation and investments.

## **III. Government of Indonesia**

9. The Government of Indonesia made the following submissions:
- a. Imports of the PUC from Indonesia are negligible.
  - b. Imports of none of the five steel categories being investigated exceed 3%. Thus Indonesia is required to be exempt from the duties in terms of Article 9.1 of the Agreement on Safeguards.

## **IV. Government of Russia**

10. The Government of Russia made the following submissions:
- a. There is no recent, sudden, sharp and significant increase in imports.
  - b. The overall trend in supply of the PUC to India reached 6,000,000 MT on average after a significant increase in 2015. Due to COVID restrictions, the imports declined by 40% from 5, 693,233 in 2019 to 3,408,569 MT in 2020.
  - c. The current level of import is a result of recovery to pre-pandemic levels.
  - d. Since safeguard investigations are not for remedying unfair trade practices, the

threshold for serious injury is much higher.

- e. Sales volumes of the domestic industry reveals growth during the POI in comparison with 2021-22. Sales volumes of the PUC increased by 33%.
- f. Production increased during the POI by 15%. Production capacity increased by 17%.
- g. PBT decreased by 76%, but this is on account of other factors.
- h. Export duty on steel exports led to a decline of 60% in exports of OP Jindal Group in FY2023.
- i. JSW plans on investing INR 5 billion on setting up a new plant with an annual steelmaking capacity of 9,00,000 MT.
- j. Project of AMNS of USD 4.68 Billion steel plant with an annual production of 7 million MT.
- k. Safeguard measures of third countries were imposed in 2018-2020. The preliminary findings mention steel related investigations in 2011-2016. These could not be considered as unforeseen.
- l. The global excess capacity could not be classified as unforeseen since this problem has been discussed at multilateral levels for more than 15 years.

## **V. European Union**

- 11. The European Union made the following submissions:
  - a. The product scope remains large and encompasses certain products that are not domestically produced in India. These products should be excluded.
  - b. Sales of the DI increased by 33%, capacity increased by 17% and production increased by 15%.
  - c. Employment and productivity per day per employee rose across all product categories.
  - d. The market share of the DI decreased by 5% against an increase in consumption of 108%.
  - e. DI experienced sharp decline in profits but remained profitable throughout the period analysed.
  - f. Other factors such as rising costs linked with capacity expansion are attributable to the injury to the domestic industry.
  - g. Increasing capacity appears misaligned with prudent business practice. Any expansion that increases market stress should not be rewarded with safeguard measures.
  - h. India should consider targeted trade remedy measures against China, Japan and South Korea since imports from these three countries have increased substantially.
  - i. The duty of 12% is excessively punitive, whereas a TRQ would be more appropriate.

## **VI. Korea Iron & Steel Association (KOSA)**

- 12. The interested parties made the following submissions:



- a. The Authority may provide a more granular and technically accurate definition of the PUC. The current definition of the PUC is overly broad.
- b. The request of Korean Steel Producers and KOSA for exclusion of various categories has not been addressed. Although Electro-Galvanized Iron (EGI) has been excluded, its downstream products such as Laminated Vinyl Coated Metal (VCM) remains within the scope.
- c. KOSA provided a list of 100 grades, which are not manufactured by the DI – they are required to be excluded.
- d. Hot-rolled steel supplied by POSCO to its subsidiary, POSCO Maharashtra, which cannot be fully sourced domestically. Automotive-grade cold-rolled and coated steel provided by Hyundai Steel that meets stringent quality standards. Hot Dip Aluminum Zinc Alloy Metallic Coated Steel Strip which is not produced by local mills but is manufactured by Dongkuk CM. High-specification color-coated sheets used in warehouse construction, currently supplied by KG Dongbu Steel due to insufficient local supply. Uniquely engineered color-coated products developed through long-term technical collaboration between Indian customers and Korean suppliers such as DCM, Aju Steel, and SeAH CM
- e. Korean steel does not directly compete with Indian steel, nor is it a substantial cause of injury to the Indian industry; rather, they fill critical gaps in the Indian supply chain and serves as a complementary input vital to the Indian industry.

**VII. POSCO, Korea RP, POSCO Maharashtra Steel Pvt. Ltd., India, POSCO STEELEON, Korea RP.**

13. The interested parties made the following submissions:
  - i. AMNS and AMNS Khopoli, both of which are major importers of the PUC, have filed user questionnaire responses. They highlight the poor quality, lack of supply and other issues associated with domestically produced steel.
  - ii. AMNS and AMNS Khopoli cannot be considered as a part of the domestic industry. AMNS has requested for the exclusion of 13 grades. AMNS' interests are fundamentally misaligned with the collective interest of the domestic industry.
  - iii. The Authority must exclude AMNS and AMNS Khopoli, and redetermine the standing and injury to the domestic industry.
  - iv. In the safeguard investigation concerning solar cells, the domestic producers that had imported the PUC were not considered to be a part of the domestic industry.
  - v. The present scope of the PUC is flawed. The PUC can only include articles that are "like or directly competitive" with the imported products.
  - vi. In the safeguard investigation concerning low ash metallurgical coke, the legal standard adopted by the Authority was whether or not the domestic industry manufactures a competing grade in commercial quantities. The competing grades that are not produced in commercial quantities were excluded.
  - vii. In the safeguard investigation concerning single mode optical fibre, the Authority held

that evidence is required to demonstrate that like or directly competitive goods are not manufactured by the domestic industry.

- viii. The Authority is required to conduct a detailed grade-wise product examination.
- ix. The observation of the Authority that quality concerns, vendor certification and capacity constraints are not relevant for product exclusion is not legally tenable.
- x. If there are clear technical, commercial and production-based distinctions, differences in quality, vendor certification barriers and production limitation, it cannot be said that the domestically produced grades and imported grades or “like or directly competitive”.
- xi. In the safeguard investigations concerning Low Ash Metallurgical Coke, PVC Suspension Resins and Single Mode Optical Fibre, the DG granted or examined in detail product exclusion request – and where the DI did not demonstrate the ability to manufacture, the said product was excluded.
- xii. There is no grade-wise or application specific analysis as followed in the previous investigations. The failure to conduct such an inquiry effectively shifts the burden onto importers and users to demonstrate why their products should be excluded.
- xiii. “likeness” under safeguard law does not demand perfect substitutability – there has to be a competitive relationship between the imported and domestic products. The domestically produced products do not offer meaningful competition with several categories of imported grades.
- xiv. The DI must provide clear, specific and verifiable evidence to support such a claim for each product grade.
- xv. The burden of proof lies with the domestic industry to prove that it manufactures like or directly competitive articles.
- xvi. Although the word “competitive” implies that what must be examined is potential to compete, there must be a “direct” competitive relationship between the two products. “Competitive” means the potential to satisfy the same consumer demand.
- xvii. The scope of the PUC is excessively broad and includes several categories of products.
- xviii. PUC covers speciality grades, advanced technical variants and application-specific products that serve niche industrial uses and are also high priced. Indian producers do not offer these products at all. Therefore, they must be excluded.
- xix. In case of inclusion of non-competing products, the volume of imports and injury analysis will be artificially inflated, thereby skewing the assessment of surge and serious injury.
- xx. The DI has failed to establish that the surge in imports are attributable to unforeseen circumstances. There must be a nexus between surge in imports and unforeseen circumstances.
- xxi. All unforeseen circumstances identified by the DI relate to ‘steel’ in general and are not specific to the PUC. Steel comprises of a vast and diverse basket comprising numerous subcategories and grades.
- xxii. The trade remedy measures were implemented much before the POI. There is no causal

link between the continuing trade remedies and the purported diversion of exports from Korea to India.

- xxiii. There is no empirical or quantifiable evidence demonstrating that the measures have resulted in a redirection of Korean exports specifically to the Indian markets.
- xxiv. There is no quantifiable evidence or data such as export trends, redirection patterns to clearly link the expired measures to increased imports into India.
- xxv. The unforeseen developments cited by the Petitioners are not specifically linked to the defined PUC from Korea. Further, several trade protection measures had expired before the POI.
- xxvi. The information regarding excess capacity shown in the preliminary findings pertain to crude steel alone and not the PUC. Overcapacity in the steel sector is not a new or unexpected development. It has occurred over 10-15 years and has been discussed in multiple forums such as OECD and international trade bodies.
- xxvii. India's steel demand has been steadily growing.
- xxviii. The changes in China's policies do not pertain to Korea. They are internal economic developments which are not unforeseen developments. There must be quantifiable data demonstrating that these developments have directly resulted in increased imports into India.
- xxix. Chinese investment in ASEAN would have clearly been foreseen since it was documented for several years.
- xxx. The unfair trade practices by China or ASEAN can be addressed through the CAROTAR Rules rather than by invoking safeguard investigations.
- xxxi. The domestic industry has claimed excessive confidentiality on details of adjustment plan. The adjustment plan is vague and excessively confidential. The proposed adjustments referred to in the Petition are identical to the adjustments that were undertaken in 2016.
- xxxii. In various past investigations, the Authority has declined to recommend the duties on the grounds that no clear adjustment plan was provided.
- xxxiii. Imposition of the safeguard duties will be against public interest.
- xxxiv. Public interest must be examined from the perspective of various parties – not just the DI. The DI has engaged in unfair market practices – AMNS has filed a user industry questionnaire response even though it is a part of the DI and has sought exclusion of 13 grades.
- xxxv. Specialized grades of the PUC are either not manufactured by the DI or are not approved for usage by downstream consumers. If there is a disruption of the access to these grades, it would impact various sectors in India.
- xxxvi. US Section 232 Tariffs have not been effective. It has resulted in retaliation from other countries.
- xxxvii. The appropriate action is an anti-dumping measure or CVD against China and Vietnam.
- xxxviii. There needs to be a global surge to justify imposition of safeguard duties. The surge in

the present case is predominantly occurring from a few countries only and is not a global phenomenon.

- xxxix. There is no evidence of price injury – whether in the form of undercutting, suppression, depression. There is a decline in raw material prices, which has resulted in a decline in domestic prices of the PUC.
- xl. If the domestic selling price has declined more than the cost of sales, it is more likely a result of internal market dynamics, such as competitive pricing or external factors such as global commodity trends.
- xli. The injury analysis is flawed since the POI includes both quarter 2 and quarter 4 of the financial year 2023-24, thereby leading to an overlap in the dataset. Therefore, annualization of the data is not appropriate.
- xl.ii. There is no recent, sudden, sharp or significant increase in imports from Korea.
- xl.iii. There is an increase in sales, production and production capacity of the DI.
- xl.iv. Major decline in profitability is attributable to the increase in interest cost and depreciation.
- xl.v. The injury to the domestic industry is only on account of imports from China PR and ASEAN only.
- xl.vi. The decline in prices of the PUC in India is on account of the decline in iron ore prices.
- xl.vii. In terms of Article 2.27 of the India-Korea CEPA, India must consider excluding Korea from the application of the measures.

**VIII. Nippon Steel Corporation, Nippon Steel Pipe India Private Limited, JFE Steel Corporation, JFE Shoji Corporation, JFE Shoji India Kobe Steel Ltd., Toyota Tsusho Corporation, Honda Trading Corporation, Honda Trading Corporation, India Pvt. Ltd., Rajasthan Prime Steel Processing Centre Pvt. Ltd., Nissan Trading Co., Ltd., Renault Nissan Automotive India Private Limited**

- 14. The interested parties made the following submissions:
  - i. The present proceedings, including the preliminary findings are without legal authority. The Petition contains numerous deficiencies and fails to provide essential evidence.
  - ii. NSC and AMNS participated in multiple meetings with Ministry of Finance and Ministry of Steel regarding the exclusion of specific grades sold to AMNS.
  - iii. The applicants have made general rebuttals concerning the exclusion requests without substantiating them with factual or legal basis, concrete evidence or detailed reasoning.
  - iv. The Authority did not conduct a limited public hearing for determining the scope of the PUC prior to issuance of the preliminary findings.
  - v. It has been the consistent practice of the Authority to exclude products that are not like or directly competitive from the scope of the investigation.
  - vi. In the safeguard investigation concerning HR coils, sheets and strips, the Authority excluded products not manufactured by the domestic industry from the scope of the PUC.

- vii. In terms of Rule 2(e) of the Safeguard Rules and the Agreement on Safeguards postulate that safeguard measures may be imposed only on “like or directly competitive” articles.
- viii. Likeness is determined by various parameters such as physical and chemical characteristic, product specifications, pricing, functions and end-uses, end-user requirements, manufacturing process and technology, distribution and marketing, tariff classification, technical and commercial substitutability, etc.
- ix. Directly competitiveness is assessed on the basis of when the products are interchangeable or offer alternative ways of satisfying a particular need or taste.
- x. In US – Cotton Yarn, the Appellate Body held that a safeguard action will not extend to protecting a domestic industry that produces unlike products which only have a remote or tenuous competitive relationship with the imported product.
- xi. In the safeguard investigation concerning oxo alcohol, it has noted that even if the end products are substitutable, this substitutability must not be remote.
- xii. In the safeguard investigation concerning Hot Rolled Coils / Sheets / Strips, the Authority excluded grades of steel that were not manufactured by the domestic industry. Therefore, if the domestic industry is unable to manufacture any grade, the said grade must be excluded from the PUC.
- xiii. The domestic industry must provide evidence demonstrating that it manufactures the like or competitive article to the imported grades of the PUC.
- xiv. Certain imported grades are not manufactured by the domestic industry and are not commercially and technically substitutable.
- xv. The Authority may clarify whether “tinplate” and “Coated Electrogalvanized Steel” are excluded from the PUC.
- xvi. The domestic industry’s acceptance for the exclusion of certain grades must be examined carefully.
- xvii. The Petitioner has failed to substantiate how its products are technically and commercially substitutable with the imported grades. The invoices submitted by the domestic industry does not substantiate how the invoices filed demonstrate that a particular grade is substitutable with the grades for which NSC has sought exclusion.
- xviii. The exclusion of products based on end-use conditions is unwarranted and burdensome.
- xix. The Authority is bound to consider if all of the grades for which exclusion is sought are like or directly competitive with the domestically produced grades. A blanket refusal to examine the issue is clearly arbitrary, illegal and erroneous.
- xx. The Authority has outrightly rejected lack of customer approval and differences in quality as a ground for exclusion, without appreciating that the poor-quality products will result in unviability of the end product.
- xxi. Customer approvals will demonstrate whether a product meets the commercial standards required by end users.
- xxii. On the one hand the Authority observes that there is no requirement to examine if each product is produced by the domestic industry, on the other hand the Authority has

- selectively noted that the domestic industry has provided invoices to show sales of certain grades.
- xxiii. NSC has provided sufficient technical evidence to substantiate its exclusion request.
  - xxiv. AMNS has found the grades produced by the domestic industry to be sub-optimal in comparison with NSC's products in terms of quality, grades and size mix.
  - xxv. NSC has developed customized grades for AMNS, which are used to produce patented products.
  - xxvi. Even if AMNS is committed to being the domestic industry, the Authority is required to examine the reasons and evidence placed on record by NSC and AMNS seeking exclusion of certain grades.
  - xxvii. NSC has been playing an active role in contributing to Make in India. NSC has acquired Uttam Galva Steels Limited, Essar Steel India Limited and has established AMNS, which is constructing new plants.
  - xxviii. NSC supplies high quality HR steel to AMNS since 2022. This requirement is expected to increase in 2025. Majority of NSC's exports of HR steel are supplied to AMNS as substrates of its downstream products.
  - xxix. AMNS has been investing in new projects and expansion of existing facilities.
  - xxx. Tin free steel and plastic laminated steel fall under the category of tinplate. Therefore, such products should be excluded from the scope of the PUC.
  - xxxi. The investigation has been initiated without any evidence of increased imports, serious injury or threat, causal link and adjustment efforts.
  - xxxii. The domestic industry has failed to provide injury data for 12 month period prior to the POI to determine if the increased imports have actually caused serious injury to the domestic industry.
  - xxxiii. There is no sharp increase in imports across all product categories.
  - xxxiv. There is no evidence of serious injury and causal link
  - xxxv. The Authority has not provided the minimum 30 days time to provide the questionnaire response as stipulated under Rule 6(4) of the Safeguard Rules.
  - xxxvi. The questionnaire formats were published by the Authority in a belated manner.
  - xxxvii. The applicants have claimed excess confidentiality in their application thereby preventing the interested parties from examining the accuracy and adequacy of the information supplied to the Authority.
  - xxxviii. The transaction wise import data filed by the applicant is not reliable. The Authority has not initiated the investigation based on DGCIS/DG System data.
  - xxxix. The Authority is required to finalise the product scope and decide PCNs before calling for questionnaire responses.
  - xl. The scope of the PUC in the Petition is broad. Certain product categories are improperly included within the scope of the PUC despite there being no sharp surge in imports of those categories.

- xli. Analysis of dumping and injury margins may be required to demonstrate causal link and quantification of the duty.
- xlvi. As per Rule 2 of the safeguard rules, the domestic industry is defined as only producers of “like or directly competitive” articles. The products not manufactured by the domestic industry is required to be excluded from the scope of the PUC.
- xlvi. The applicant has not demonstrated that it manufactures a “major share” of each distinct product categories. Not all producers manufacture all product categories, therefore, they cannot constitute the domestic industry for all product categories.
- xlii. There is only a slight increase in imports of CR coils during the POI as compared to the immediately preceding year. Imports of HR coils have increased gradually throughout the injury period, which does not demonstrate sudden, sharp and significant increase in imports.
- xlii. There is a decline in imports of Coated sheets during the POI as compared to the immediately preceding year.
- xlii. Even if the requirement of unforeseen development is not mentioned in the domestic legal framework, the Authority is required to examine it as required under Article XIX of the GATT.
- xlii. Trade remedy measures are not unforeseen developments since they are routinely and regularly deployed by nations. Further, they are legitimate actions under the WTO Agreements. As per the WTO data, between 2010 and 2017, there have been 367 anti-dumping and countervailing duty actions against steel products.
- xlii. Several countries have been exempted from the US Section 232 tariffs.
- xlii. The issue of excess capacity has been a chronic and well documented challenge across various global markets, that has been discussed in numerous industry reports, WTO forums, and international trade discussions for over a decade. This issue is not unforeseen.
  - 1. China’s three red lines policy is not unforeseen. China’s increased investments in steelmaking capacity in other countries have occurred for several years.
  - li. The domestic sales, production and capacity across multiple product categories has grown.
  - lii. Serious injury is not being suffered by the domestic industry as a whole. The EBITA of other domestic producers such as Tata Steel (which is also a Member of the ISA) has grown by 10% to reach INR 31,057 crores at an EBITA margin of 22%. EBITA of AMNS and SAIL during the financial year 2024 is significant. The decline in EBITA of Tata Steel is less than the loss in profitability of the domestic industry.
  - liii. There is no causal link between increased imports and injury to the domestic industry. Although the imports of colour coated coils and sheets declined, the PBIT per unit has also declined.
  - liv. PBIT per unit of plate mill plates has improved during the POI, despite the alleged surge in imports.
  - lv. Coated coils and sheets show an improvement.

- lvi. In the case of HR coils, when there was a surge in imports from 2022-23 to 2023-24, the PBIT also improved.
- lvii. Cost of producing steel in India is significantly higher than the rest of the world. Prices of coking coal has risen to around USD 670 per MT. This is the reason for the decline in profitability of the domestic industry.
- lviii. The domestic industry's operating cost is high – there is an increase in depreciation cost, interest cost.
- lix. The bulk of the domestic industry's allegation focuses on Chinese excess capacity, declining domestic demand. Therefore, the increase in imports is not on account of unforeseen development.
- lx. The adjustment plan has been claimed confidential. The adjustment plans provided by the domestic industry are vague and generalized. The domestic industry has not explained how the imposition of the 25% duty will facilitate of support their efforts.
- lxi. The request for 25% duty rate is not supported by any evidence. The liberalization of 1% each year does not reflect any clear connection with the industry's adjustment plans.
- lxii. India has a long history of trade remedial measures to address concerns related to imports of steel products.
- lxiii. There are various non-tariff barriers such as BIS regulations and quality control orders on the PUC.
- lxiv. A no-objection certificate process exists for certain shipments where specific grades of steel is not domestically produced. However, this process is expected to be phased out.
- lxv. License of various Chinese suppliers have expired in 2023 – only 8 licenses are valid from China till date.
- lxvi. Steel Import Monitoring System (“SIMS”) acts as a mechanism to monitor and regulate steel imports.
- lxvii. There are no critical circumstances that warrant safeguard measures.
- lxviii. Contention of the domestic industry that there are low priced imports and excess capacity in Japan, Korea, ASEAN and China is not supported by any evidence.
- lxix. All evidence relied on by the domestic industry pertains only to HRC and not the PUC as a whole.
- lxx. Safeguard duty would not be in the public interest at large.
- lxxi. There would be irreversible damage on steel using industry nationwide.
- lxxii. Safeguard duty would negatively impact the “make in India” initiative.
- lxxiii. The India-Japan CEPA creates a partnership through liberalization and facilitation of trade and investment, and cooperation between the two countries.
- lxxiv. The preliminary findings are violative of the principles of natural justice and deviate from the established legal principles.
- lxxv. The Authority must consider all submissions filed by the parties – even those filed after January 22, 2025.



- lxxvi. Products can be included within the scope of the PUC only if the “like or directly competitive” article is manufactured by the domestic industry. The domestic industry has failed to produce credible evidence to demonstrate that like or directly competitive articles are manufactured.
- lxxvii. Categorization of the domestic industry’s product and Japanese mills’ products under the same Indian Standard is not a valid criterion for determining the “like or directly competitive” articles test.
- lxxviii. In terms of Rule 2(e) of the Safeguard Rules and the Agreement on Safeguards postulate that safeguard measures may be imposed only on “like or directly competitive” articles.
- lxxix. Likeness is determined by various parameters such as physical and chemical characteristic, product specifications, pricing, functions and end-uses, end-user requirements, manufacturing process and technology, distribution and marketing, tariff classification, technical and commercial substitutability, etc.
- lxxx. Direct competitiveness is assessed on the basis of when the products are interchangeable or offer alternative ways of satisfying a particular need or taste.
- lxxxi. In US – Cotton Yarn, the Appellate Body held that a safeguard action will not extend to protecting a domestic industry that produces unlike products which only have a remote or tenuous competitive relationship with the imported product.
- lxxxii. In the safeguard investigation concerning oxo alcohol, it has noted that even if the end products are substitutable, this substitutability must not be remote.
- lxxxiii. In the safeguard investigation concerning Hot Rolled Coils / Sheets / Strips, the Authority excluded grades of steel that were not manufactured by the domestic industry. Therefore, if the domestic industry is unable to manufacture any grade, the said grade must be excluded from the PUC.
- lxxxiv. The JPC data provided by the domestic industry does not provide separate information for each of the 5 product categories that form a part of the PUC. The domestic industry has not shown that it manufactures sufficient quantities of each of the 5 product categories.
- lxxxv. Imports by AMNS must be excluded from the application of the safeguard duties.
- lxxxvi. “like articles” are those that are identical or alike in all respect. The legal standard explained in US – Washers is not applicable since the product mix is different in the present case. Steel products have varied applications and different characteristics, which affect end-usage. Therefore, the “like article” standard in steel investigations must be applied in such a manner that if the domestic industry does not manufacture identical or perfect substitutes, they must be excluded.
- lxxxvii. The preference of each and every customer may not be relevant to establish direct competition. Users are unable to use the domestic industry’s goods since they do not meet the technical requirements of the users.
- lxxxviii. There is no evidence of unforeseen circumstances. As per Argentina – Footwear, the circumstances described must be unexpected.
- lxxxix. Between 2010 and 2017, there have been 367 different anti-dumping and CVD actions

against various steel products. Trade remedy measures cannot be considered to be unforeseen.

- xc. Excess capacity is not an unforeseen development since this has been occurring for a very long time and has been discussed in various trade forums, WTO, and highlighted in several reports. There was ample opportunity for the domestic industry to adapt to the changing scenario.
- xc. Increase in Chinese investments has gradually occurred over several years on account of interplay of economic policies, market dynamics and global investment.
- xcii. Merely identifying India's obligations under the GATT does not satisfy the requirement of demonstrating that imports are on account of unforeseen developments.
- xciii. All evidence regarding threat of serious injury is with regard to China alone. The Petitioners cannot attribute the declining prices of HR steel from China to all other sources of HR products.
- xciv. China being the world's largest steel producer, has been excluded from the US market – this is the main reason for the surge in imports.

**IX. Godrej & Boyce Mfg. Co. Ltd., Isgec Heavy Engineering Limited, LG Electronics India Private Limited, Metal One Corporation India Pvt. Ltd. and Metal One, Shivalik Bimetal Controls Limited, Manaksia**

- a. The preliminary findings conflate “serious injury” and threat of serious injury” with “critical circumstances. There are no indicators to support the existence of critical circumstances as the market share of the domestic industry has not fallen sharply.
- b. The Authority, in not providing the basis for calculation of the reference price has committed a grave violation of natural justice. In the past, the Authority has provided a valid basis for arriving at a particular rate of duty.
- c. The high return on capital employed of 22% for calculation of NIP to arrive at the reference price is inappropriate.
- d. The Petitioner has claimed excess confidentiality – various parameters such as details of production, productivity, total PBIT and other indicators have been kept confidential in the Petition. This has affected the ability of the respondents to respond to respond to the claims of the DI.
- e. The adjustment plan presented by the domestic industry is vague and generic. It lacks the requisite information and details to be considered adequate.
- f. There is insufficient evidence regarding recent, sudden and sharp increase in imports caused by unforeseen developments, which has a causal link to a serious injury or threat of serious injury.
- g. The excess capacity was not unforeseen. This was known to India and it was foreseeable at the time of undertaking obligations.
- h. The three red lines policy does not have a proximate cause and effect relationship with the increase in imports.
- i. Trade remedy measures were reasonably foreseeable. The Authority's own admission

is that such a situation existed prior to 2019.

- j. There were high number of trade remedy measures while India was undertaking GATT obligations.
- k. Overcapacity in Vietnam, Japan and South Korea are not unforeseen.
- l. The imposition of the safeguard measures would increase the price of Appliances by 4% and industrial products by 10-15%.
- m. The applicants have not provided any evidence to demonstrate that the domestic industry is making efforts to adjust to the increase in imports.
- n. While responding to the exclusion requests, the applicants do not identify for which of the specific grades they produce domestic like article or directly competitive article and for which they do not. The applicant's response is vague.
- o. The base year, i.e., FY 2021-22 was characterized by abnormal market dynamics. Therefore, an assessment of injury on the basis of this base year would lead to a distorted analysis.
- p. The relevant period for determining whether the imports were unforeseen is 2009 since this was the year when India entered into free trade agreements with Japan and South Korea.
- q. The increase in imports is attributable to the FTAs signed by India with Japan, South Korea and ASEAN countries. This cannot be regarded as obligations under the GATT.
- r. The reliance of the applicants on the prices in May 2025 is inappropriate since the POI is October 2023 to September 2024. Data that is not within this POI should not be relied upon. The US changes to the Section 232 are outside the POI.
- s. The developing country exemption must be examined for each product category individually. Nepal should not be exempt from the application of the measure.

**X. Hyundai Motor India Limited and Hyundai Steel Company, GS Global Corp, The China Iron and Steel Association (CISA), Hoa Sen Group, Hyosung TNC Corporation, Hyundai Corporation, Indian Pipe Manufacturers Association, Kia India Private Limited, Samsung C&T Corporation, Steel Users Federation of India (SUFI), Vietnam Steel Association**

15. The interested parties made the following submissions:

- i. The exclusions to the PUC granted by the Authority cover 22 grades, however, the DI's letters state that 50 line items have been agreed for exclusion.
- ii. Hyundai Steel has been a consistent and reliable supplier to India's auto sector, accounting for approximately 52% of the country's imported automotive steel.
- iii. Hyundai is working on localization in alignment with India's Make in India initiative.
- iv. High strength steel, exterior-grades CR/GA sheets demand stringent standards, which are not met by the domestic producers.
- v. There is a 30% supply gap in GA outer panels across Indian OEMs in 2025. BIS alternatives do not meet the requirements. The domestic industry does not have end user

approval.

- vi. HR Steel, API Certified Plates, High-Carbon & Quenched and Tempered (QT) steel and Wind Tower and Shipbuilding plates are required to be excluded.
- vii. It should be clarified whether the excluded products have been excluded from the computation of the total import volumes.
- viii. The 5 product categories each have different technical characteristics, end-uses, market dynamics and pricing structures. These products are not interchangeable with one another. These 5 products should be investigated in separate investigations.
- ix. It is unclear how the DI has segregated the data across the 5 categories of steel and has provided no explanation or clarification.
- x. The adjustment plan provided by the domestic industry is not sufficiently detailed, it is generic and vague. The non-confidential version does not disclose sufficient information. Each participating applicant company is required to submit a separate adjustment plan.
- xi. In the safeguard investigations concerning Phthalic Anhydride, Cold Rolled Flat Products of Stainless Steel of 400 Series, Non-Alloyed Ingots of Unwrought Aluminium and Flexible Slabstock Polyol, the Authority did not recommend the imposition of the duties where there was an insufficient adjustment plan.
- xii. In past safeguard investigations, the Authority issues a separate questionnaire for domestic producers after initiation of the investigation. However, in the present investigation, the Authority has only issued a questionnaire for “other domestic producers”.
- xiii. AMNS India and AMNS Khopoli have filed user questionnaire responses despite being constituents of the domestic industry since they rely on Nippon Steel Trading Corporation for certain grades of steel as the domestic producers are unable to meet their quality and quantity requirements, pricing, etc.
- xiv. The Authority should exclude AMNS India and AMNS Khopoli and reexamine the standing of the domestic industry. The Authority is also required to exclude AMNS India and AMNS Khopoli from the injury analysis.
- xv. The present investigation must be terminated and re-examined after AMNS India and AMNS Khopoli are excluded from the domestic industry.
- xvi. The information provided in the application does not conform to Trade Notice No. 10/2018 since various data points and information has been claimed as confidential. As there are multiple applicant companies, certain categories of the economic data must be disclosed on an aggregated basis for all companies.
- xvii. There is a requirement to hold consultations prior to taking a preliminary of final safeguard measure.
- xviii. The investigation must be terminated since the Petitioner has agreed to the exclusion of various product categories. Therefore, the data which formed the basis for initiation of the investigation, is no longer relevant, thereby making the whole initiation of the investigation void.

- xix. Country-wise import summary has not been provided in the application.
- xx. The data in the Petition and the data in the preliminary findings has been changed. If there is an update of the data, the same has not been circulated to the parties. Therefore, the principles of natural justice of the interested parties have been violated.
- xxi. The interested parties have not been provided an adequate opportunity to provide comments on the updated data submitted by the domestic industry.
- xxii. The domestic industry is not suffering from serious injury. The legal standard for “serious” injury is higher than the standard for “material injury”. Various parameters of the domestic industry have shown an improvement, such as sales, production, productivity, capacity utilization, profits, losses and employment.
- xxiii. The production of the PUC has been consistent. The capacity utilization of HR steel increased, but the capacity utilization for HR Plates, CR steel, corrosion resistant steel and colour coated steel remained high, which indicates that the DI is operating at a high level of efficiency.
- xxiv. The Preliminary Finding lacks detailed information regarding the injury suffered by each petitioner individually.
- xxv. AMNS India and JSW Steel have plans of expanding their operations and making investments. These developments further demonstrate that the petitioners are in a strong position.
- xxvi. In Non-Alloyed Ingots of Unwrought Aluminium, Cold Rolled Flat Products of Stainless Steel of 400 series and Bare Elastomeric Filament Yarn, the Authority has held that there is no injury on account of high levels of capacity utilization, increased employment, consistent growth in production and sales figures.
- xxvii. The currently established reference prices for exemption from duty in the case of CR Steel does not align with the cost-plus margin structure of conversion from HR to CR steel. The conversion cost from HR to CR steel is not appropriately captured in the reference prices.
- xxviii. The imposition of the duties is not in public interest since steel has wide range of applications across industries. The safeguard duties will reduce competition of the domestic steel producers, increase cost and prices, reduce the profit margin of small mills, increase the cost of construction, automotive, manufacturing and infrastructure.
- xxix. The duties will affect the Make in India initiative.
- xxx. The objective of safeguard duty is to protect the domestic industry from undue advantages of foreign exporters on account of unforeseen developments and to ensure a healthy level playing field for domestic producers. Safeguards should not be used to give undue advantage to domestic producers.
- xxxi. The customs EDI system does not presently accommodate reference price-linked safeguard duty assessment.
- xxxii. There is an upward price movement from January 2025. The domestic producers have begun increasing their prices. Suppliers such as POSCO Maharashtra has communicated a demand to compensate users for the financial impact of the safeguard

duty.

- xxxiii. The adjustment plan provided in the application is vague and insufficient. In past investigations, the Authority has declined to recommend the measures when the adjustment plan was not appropriate.

#### **XI. Assam Roofing Ltd.**

16. The interested party made the following submissions
- a. The calculation of the 3% threshold for exclusion of developing countries must be done separately for each product category. The 3% threshold for the PUC as a whole is met by China and Vietnam. However, the share of HR Coils of Nepal can never cross 3% since Nepal primarily exports coated steel products.
  - b. The benchmark duty determined for Metallic Coated Steel Coils and Sheets and Colour Coated Coils and Sheets must be significantly higher than for CR Coils to account for value additions involved from the base metal/raw material stage.
  - c. Nepal should not be exempt from the application of the duty for Metallic Coated Steel Coils and Sheets and Colour Coated Coils and Sheets. Nepal's share is over 50% for Aluminium Zinc Coated Products, around 6-7% for Pre-Painted/Plastic Coated Sheets and 85% for Galvanized Sheets.
  - d. Safeguard Duty on Metallic Coated Steel Coils and Sheets and Colour Coated Coils and Sheets must be higher than the duty for HR and CR Coils.

#### **XII. Dongkuk CM, Korea and Dongkuk Steel India Pvt. Ltd.**

17. The interested party made the following submissions
- a. Pre-painted aluminium zinc alloy metallic coated steel above 1.3 mm thickness may be excluded since the DI is unable to produce the same with requisite quality. JSW Steel Limited is the only domestic producer capable of manufacturing the product upto thickness of 1.5mm. The demand for this product is only 6,000 MT.
  - b. Hot Dip Aluminium Zinc Alloy Metallic Coated Steel above 1.5 mm thickness cannot be produced by the DI in required quality and quantity. Indian users prefer Korean-made products. The demand for this product is 8,000 MT.
  - c. Laminated Galvanized Steel is not manufactured by the DI. The DI has already agreed for the exclusion of Laminated Electrogalvanized Steel from the investigation; there is no reason for not excluding Laminated Galvanized Steel from the PUC.
  - d. Pre-Painted Galvanized Steel is imported based on customer specific customizations. The DI is unable to deliver the required quality and specifications such as design and pattern.
  - e. The mere fact that the DI sells products covered under the same Indian Standards does not demonstrate that such goods are of the same quality, consistency or specifications as the imported grades.
  - f. There would be no injury caused to the DI since the annual consumption of the

specialized products is very low. In US – Lamb, the Appellate Body held that the standard of “serious injury” in the Agreement on Safeguards is higher than “material injury” in the Anti-Dumping Agreement.

- g. In Japan – Alcoholic Beverages, the Panel noted that while examining “directly competitive or substitutable”, an examination of the physical characteristics and tariff classification must be done in the marketplace context.
- h. The DI has stated that they agree for the exclusion of 50 line items, but the Authority has excluded only 22 product categories.
- i. In past safeguard investigations, the Authority has declined to recommend duties where the economic parameters of the domestic industry has shown improvement.
- j. The production and sales data of the domestic industry has improved.
- k. The capacity utilization is at 83%, which demonstrates good production activities.
- l. Employment levels are a good indicator for injury.
- m. AMNS and JSW are undertaking capacity expansions which suggests favourable market environment.
- n. There is no basis for fixing the Minimum Export Price; for Cold Rolled Products, the Minimum Export Price is disproportionately high compared to HR, and low compared to coated steel products.
- o. There is no injury from Korea since import volumes from Korea have only modestly increased and then declined compared to other countries.

### **XIII. CSCI Corporation India Pvt. Ltd.**

- 18. The interested party made the following submissions
  - a. Cold Rolled Full Hard Silicon Electrical Steel used in the production of CRNO may be excluded from the PUC. Only JSW Steel has manufactured CRFH, however, the same is not capable of producing CRNO as per the applicable BIS standard.
  - b. Cold Rolled Full Hardened Electrical Strips conforming to IS 18316 of 2023 is excluded from the scope of the investigation. CSCI has obtained a BIS license for importing this product.
  - c. In the anti-dumping investigation concerning imports of cold rolled non-oriented electrical steel from China PR, CRFH used for manufacturing CRNO was excluded from the PUC.
  - d. CRFH imported by CSCI is not a ‘like article’ of Cold Rolled Steel and is not interchangeable or substitutable with the domestically produced product.
  - e. JSW has procured CRFH from JSW. However, the goods do not match the necessary standards as per BIS 648:2022. Multiple trial by JSW have rejection rates from 4.86% to 100%. There was 100% rejection of AMNS’ product.

### **XIV. Maruti Suzuki**

19. The interested party made the following submissions
- a. Not all steel categories experienced a sharp increase in imports.
  - b. Domestic steel prices have shown an upward trajectory, while international prices have declined, suggesting that the DI has leveraged the safeguard duty to increase prices, causing financial strain on downstream sectors.
  - c. Non-availability and capacity constraints of Indian steel mills has created supply shortages, affecting production schedules and operational efficiency.
  - d. Maruti Suzuki is a major exporter of vehicles and export the vehicles to Japan and EU. There is a requirement to maintain high quality standards. Any failure in global markets may adversely impact the reputation of Indian products.

#### **XV. NRB Bearings**

20. The interested party made the following submissions
- a. Imported products are not manufactured in India. NOC has been issued by the Ministry of Steel for each consignment.

#### **XVI. Aktien-Gesellschaft der Dillinger Huttenwerke**

21. The interested party made the following submissions:
- a. The applicant's arguments such as excess steel producing capacity, implementation of trade remedy measures by other countries and the regional market shifts in ASEAN do not constitute evidence of "surge in imports" resulting from "unforeseen developments".
  - b. The claim of serious injury is not substantiated since there is a general positive trend in key performance metrics such as production volumes and sales.
  - c. Other domestic producers such as Tata Steel Ltd. have demonstrated stable or improved performance during the relevant period.
  - d. The alternative causes of injury have not been sufficiently examined or addressed by the Authority.
  - e. The Authority has failed to conduct a detailed and objective analysis of critical factors for assessing whether the imported products are "like or directly competitive".
  - f. In the safeguard investigation concerning oxo alcohols, the Authority held that overlapping end use is not, by itself, a sufficient criterion to determine whether products are "like or directly competitive".
  - g. There is a legal requirement for the applicant to demonstrate that it manufactures each and every grade of the imported product with identical specifications and must meet the entire domestic demand.
  - h. The applicant has agreed to the exclusion of 17 product categories even though it manufactures products that are comparable and with overlapping end-uses.
  - i. In the safeguard investigation concerning HR coils/sheets/strips, certain products were



excluded since the domestic industry failed to provide evidence of domestic production of the relevant goods.

- j. Although the DI has supplied invoices of sample sales of certain grades of steel, the findings are silent on how these grades are “like” or “directly competitive” with the specific product grades supplied by Dillinger.
- k. In *Basudev Dutta v. State of Bengal*, the Hon’ble Supreme Court held that every administrative or quasi-judicial order must contain reasons. However, the reasons for not granting Dillinger’s exclusion request has not been recorded in the preliminary findings.
- l. The five categories of the PUC each differ in terms of manufacturing process, technical specifications, end-use applications, market dynamics and customer segments. They are neither technically nor commercially interchangeable. The Authority must determine the standing for each product category separately.
- m. AMNS India and AMNS Khopoli have opposed the petition and requested for product exclusion. The Authority should assess the standing of the domestic industry on the basis of their opposition to the petition.
- n. Major producer of steel in India, Tata Steel Limited, is not a part of the petition.
- o. Tariff concessions are not unforeseen since they are negotiated and agreed upon by WTO Members including India, with full knowledge of implications.
- p. Global overcapacity is a longstanding issue that has been discussed widely in forums such as the WTO and OECD.
- q. There is no surge in imports from the EU.
- r. Imports from EU are not a cause of injury to the domestic industry. The true cause of injury is imports from a few specific countries.
- s. The EU may be excluded from the application of the measure.
- t. Sales performance of the DI shows strong growth. The DI’s sales have grown by 40%.
- u. Production capacity increased by 13%, actual production increased by 17% and capacity utilization increased by 90%.
- v. Decline in profitability is not attributable to imports, but is on account of an increase in interest costs, particularly those incurred by JSW in the acquisition of the BPSL group.
- w. There is no price undercutting from the EU.
- x. Injury is not widespread or global. The main sources of injury are China and certain ASEAN countries.
- y. Depreciation and interest cost has increased substantially. However, there is no evidence of capacity expansion. This clearly indicates that the increase in finance cost is due to internal financial decisions and unrelated to any alleged surge in imports.

## **XVII. NLMK Group and Tay Nam Steel Manufacturing and Trading Co. Ltd.**

22. The interested party made the following submissions

- i. The POI is October 2023 to September 2024, but the DI has not provided injury information for the corresponding periods for the previous years.
- ii. The DI has used different sets of data at different junctures. At some places, the DI has compared the data during the POI with the data for the previous three financial years. At other points, the DI has compared the annualized data in the first six months.
- iii. There is no uniform methodology for carrying out different analysis. The injury period has been defined as 2021-22, 2022-23, 2023-24 and the POI. The DI must have provided the injury analysis for all periods uniformly.
- iv. The time of 3 to 7 minutes allocated for each speaker in the oral hearing is inadequate and a violation of natural justice.
- v. The DI made a presentation during the oral hearing, which was not circulated prior to or at the time of the hearing, hence violating the principles of natural justice of the respondents.
- vi. As per the trade notices issued by the Authority, all information to be presented during the oral hearing must be circulated to all parties in advance.
- vii. The Authority has not established the existence of critical circumstances for the imposition of the duty through facts and the applicable legal standard.
- viii. For the imposition of a safeguard measure, there is a requirement to examine unforeseen circumstances. India has consistently applied this test in previous safeguard investigations in line with its obligations under the GATT.
- ix. Protectionist measures by other jurisdictions have been widely deliberated in OECD forums, G20 communiques, and WTO Trade Policy Reviews. Steel has been a target of trade protection measures since the early 2000s.
- x. Excess steelmaking capacity has been a persistent and structural feature for over a decade, which has been addressed in multilateral forums.
- xi. China's three red lines' policy is not an unforeseen trade event, but policy recalibration that should be expected in a dynamic global economy.
- xii. The increase in Chinese investments in ASEAN is well documented.
- xiii. There is no causal link between the unforeseen development and the surge in imports. The surge in imports must be shown to be a direct and proximate consequence of the cited developments and not merely correlated with them.
- xiv. There is no granular trade flow analysis, the DI's price fluctuations, supply gaps or cost competitiveness has not been examined.
- xv. Steel demand in India is strong and growing, suggesting that import increases may be demand-driven and not supply-push.
- xvi. India has numerous trade remedy measures against steel products.
- xvii. The Authority has not demonstrated that the increase in imports is an effect of obligations under the GATT. It has not been demonstrated how the obligations undertaken by India such as bound tariff reductions are responsible for the increase in imports.

- xviii. Injury analysis based on heterogenous product group is impermissible under WTO and Indian law.
- xix. Each category of the PUC is distinct and are not like or directly competitive with one another. In Argentina – Footwear, the Appellate Body held that the injury analysis must be reasoned and explained when the product scope includes diverse and dissimilar products.
- xx. The applicant has provided different data for different parameters such as production, capacity utilization, sales, inventory, profitability and market share, each covering different reference periods. This inconsistent approach is violative of Rule 5 of the Safeguard Rules and Article 4.2(a) of the Agreement on Safeguards.
- xxi. Various pieces of information provided in the Petition is claimed confidential, which is contrary to trade notice no 10/2018 and impacts the ability of the other interested parties to comment on the Petition.
- xxii. There is no explanation provided as to why certain pieces of information have been claimed as confidential.
- xxiii. In Reliance v. Designated Authority, the Hon’ble Supreme Court held that it is not open to the Authority to withhold information without proper confidentiality claim being made.
- xxiv. Non-confidential summaries must comply with the requirements of Rule 7(5) and Trade Notice 10/2018, failing which the Authority must disregard such information.
- xxv. Rejection of exclusion requests is arbitrary and not legitimate. The preliminary findings do not provide an analysis or explanation for the reasons for rejecting the exclusion requests.
- xxvi. The Authority’s assertion that the applicant is not required to demonstrate production of like grades or capability to supply meaningful volumes contradicts established WTO jurisprudence.
- xxvii. Article 3.1 of the Anti-Dumping Agreement requires all findings to be supported by reasons.
- xxviii. The domestic industry has made broad and unsubstantiated assertions of capacity and capability. The respondents’ detailed technical information demonstrating product-specific inapplicability of domestic supply have been brushed aside.
- xxix. Applying uniform duty for all five categories of products would distort trade and penalize niche, high-value or non-substitutable imports.
- xxx. The analysis of the authority must further be disaggregated into more granular product categories considering price bands, international HS codes, industry standards and end-user segments.
- xxxi. The adjustment plan submitted by the domestic industry is overly generic, lacking in specificity and fails to offer any credible or substantive road map.
- xxxii. The adjustment plan is a reproduction of the plans previously submitted by JSW and SAIL in earlier safeguard investigations. This shows that no new efforts are being made to enable the domestic industry to adjust to imports.

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| xxxiii.  | The preliminary findings ignore the observations of the WTO Panel in DS518. There is no specific evidence regarding unforeseen developments; there is no non-attribution analysis; no detailed reasons are provided for rejection of exclusion requests; the increase in imports is not transparently analyzed; numerous exclusion requests have been rejected on generic grounds. |
| xxxiv.   | The information regarding unforeseen developments must be specific to the PUC and not limited to crude steel alone.  |
| xxxv.    | There is no explanation regarding the timing of the unforeseen developments and how they led to the alleged recent serious injury to the domestic industry.  |
| xxxvi.   | The domestic industry has not provided an explanation as to how the increase in imports could be a post-COVID recovery.  |
| xxxvii.  | Futuristic probabilities cannot be termed as unforeseen developments.  |
| xxxviii. | The increase in imports is not sudden, but rather gradually and consistently.  |
| xxxix.   | Not all categories of the PUC have shown an increase in imports. The increase in imports of CR Coils and Sheets and Colour Coated steel are minimal.   |
| xl.      | There is no evidence of critical circumstances that justify a 12% duty.  |
| xli.     | The applicant's plea to disqualify the submissions of GTRI should be summarily rejected since all parties must be given an equal opportunity to represent their interests.   |
| xlvi.    | The Authority is required to conduct an objective and transparent investigation into the likeness and competitiveness of products.   |
| xliii.   | Each exclusion request filed by all respondents must be evaluated independently, based on objective technical evidence and actual substitutability in commercial terms not based on arbitrary invoice references or unsupported.   |
| xliv.    | The different applicant companies do not produce a homogenous or directly competitive product base. Therefore, clubbing their data together for injury analysis is legally untenable.  |
| xlvi.    | If exclusion requests have to be rejected, economic and technical comparability of the products must be demonstrated.  |
| xlvi.    | Common-grade HR coils and automotive grade-CR coils cannot be lumped together for the purpose of injury assessment.  |
| xlvi.    | On account of the conflict of interest of AMNS and AMNS Khopoli, the Authority may hold that these parties do not constitute the DI.   |

23. The interested party made the following submissions:
  - a. 80% of the steel used by the industry is locally produced and the industry is fully committed towards localization.
  - b. Safeguard duty has increased the prices of domestic steel, whereas the global prices of steel.

- c. The increase in prices will increase the price for vehicle manufacturers, which would affect pricing, production planning and long-term investment decisions.
- d. The domestic steel industry is facing supply-side challenges. To ensure that there is no disruption in manufacturing, the availability of steel is essential.

**XIX. Japan Iron and Steel Federation**

- 24. The interested party made the following submissions:
  - a. Certain grades imported from Japan are required to be excluded.
  - b. The automobile industry would face critical risks and difficulty in continuing their operation. This would disrupt supply chains and damage sound, and smooth operations of downstream users require high quality steel from Japan.
  - c. The measure would impact the Make in India initiative. Japan has been investing large amount of capital, technology and resources in India, which contributes to the Make in India policy.
  - d. The bilateral relationship between India and Japan will be affected by the imposition of the measure.

**XX. Federation Association of Maharashtra**

- 25. The interested party made the following submissions:
  - a. The PUC comprises of 5 different product categories in terms of raw materials, production process, supply-demand dynamics and end use. Alloys and non-alloys of these products are also different.
  - b. A separate safeguard duty is needed for each of the 5 product categories.
  - c. Separate PCNs is required for alloy steel and non-alloy steels.
  - d. The source of the import data in the Petition is not disclosed. There are large variations in the quantities reported by different sources.
  - e. The base year of 2021-22 was affected by COVID. The lockdowns were imposed till March 2022. The increase in imports during the POI is a result of post-COVID recovery.
  - f. There is no sure in imports after accounting for the abnormality of demand during the COVID years.
  - g. The value-added products (other than HRC) have a less than 5% share in total imports other than 2023-24.
  - h. Imported quantities include a large quantity of plates (API plates), which are imported under the DFIA scheme. Import of API plates for export of LSAW pipes due to better quality and price is done against advance license. LSAW pipe makers imported about 165,712 MT of plates in FY 23-24 and about 210,426 MT in FY 24-25. Almost all API plates are for export of pipes.
  - i. Increase in imports during 2022-23, 2023-24 and 2024-25 (H1) is due to increased imported quantity from Vietnam and imports by AMNS. There is already an AD

investigation against Vietnam. AMNS imported 244,725 MT of HRC in 2023-24 and 681,016 MT in the first 9 months of 2024-25.

- j. The Government of India has established mandatory BIS registration for almost all Chinese Steel Mills.
- k. Major imports of CR coils are from South Korea.
- l. The EBIDTA of the applicant companies and Tata Steel Limited is very high, which is suggestive of high profits. the combined EBITDA of the applicant companies and Tata exceeds three lakh crore rupees.
- m. The main reason for high profitability of Indian Mills is the built in subsidy received from the Government of India in terms of pricing of iron ore.
- n. Developing countries with less than 3% import share such as Indonesia may be excluded.
- o. Imposition of safeguard duties will significantly impact the industry and economy. These products are regulated through QCOs, SIMS and NOC process, which already create uncertainty in imports.
- p. The PUC is used in a wide range of industries. The duties will reduce domestic competition.
- q. Imposing safeguard duties against steel will increase the prices, resulting in high construction costs and substantial damages to the broader economy, including inflation.
- r. Various infrastructure projects such as Jal Jeevan Mission and Har Ghar Jal could face delays.
- s. Make in India cannot succeed without globally competitive steel prices.

## **XXI. Federation of Kutch Industries Associations**

- 26. The interested party made the following submissions:
  - a. The association has entered into an agreement with PA Chamber, Pennsylvania, USA for promoting the investment from their region to Gujarat.
  - b. 11 lakh crore rupees is the budgetary allocation for infrastructure.
  - c. India has a very low per capita steel consumption compared to other global major economies. The industry has ramped up capacity to nearly 170 MMT.
  - d. The safeguard measures will affect all pipe manufactures in India. There is a need to balance the interest and competitiveness of downstream industries.
  - e. High input costs could slow down the pace of infrastructure development and industrial growth.
  - f. Flat steel imports are a negligible part of domestic consumption (less than 5%). Import of API grade steel is negligible against the total import of flat steel product.
  - g. The Indian steel industry is suffering injury on account of lower worldwide demand.
  - h. FTA countries like Japan and Korea supply quality steel.

- i. The domestic industry has not been able to supply sufficient quantity of API grade steel in a reasonable period of time.
- j. AMNS, Bao, POSCO and Hyundai are large importers of steel.
- k. Safeguard duty of 25% with basic customs duties will increase the total payable duties to 32.5%, whereas the pipe attracts a custom duty of 10%.
- l. BIS, DMI&SP by the Ministry of Petroleum and Natural Gas and local content policy already discourage imports.

## **XXII. Metal & Stainless-Steel Merchants Association**

27. The interested party made the following submissions:
- a. The POI is too short to draw a fair conclusion given the abnormal demand fluctuations during and post-COVID.
  - b. India has been a net exporter of steel for the last four years except 2023-24.
  - c. India's steel import volumes play a vital role in matching the robust demand for steel in the country. A sudden change in policy could play a vital role in matching the robust demand for steel in the country.
  - d. The rise in steel prices due to limited number of BIS certified manufacturers should also be considered in the investigation since this scheme has increased the prices of the goods.
  - e. Flat steel products are critical to India's economy. 60% of India's production is controlled by just five firms, whereas numerous small businesses depend on affordable flat steel to remain competitive.
  - f. China has withdrawn the 13% rebate on steel since April 2021.
  - g. Large amounts of steel are being imported duty free from Japan under the FTA.
  - h. The Indian government has already protected Indian firms through measures such as tariffs from 7.5% to 12.5%. Higher duties of 15% on stainless steel pipes to discourage imports but also rise costs for users.
  - i. To counter cheaper imports, India imposes anti-dumping duties from USD 246 to 307 on stainless steel pipes from Vietnam and Thailand.
  - j. SIMS mandates importer registration, however, due to procedural delays, the supply chains are affected.
  - k. Specialized products should be excluded from the investigation.

## **XXIII. Taiwan Steel & Iron Industries Association**

28. The interested party made the following submissions:
- a. Taiwan may be excluded from the measure since its share in the total imports of the PUC into India has been below 3%.
  - b. Taiwan may be considered as a developing country since it has acceded to WTO as a

developing country since 2002. Taiwan is a member of the Asian Group of Developing Countries. Taiwan has been consistently classified as a developing country by the UN and in the 2023 and 2024 reports of the World Economic Situation and Prospects.

- c. Imports from South Korea, China and Japan are the predominant cause of import surge, accounting for 80% of total imports into India.
- d. India may adopt a country-specific tariff quota as an effective measure instead of a duty.

**XXIV. Hyundai Transys Lear, Hwashin Automotive India Pvt. Ltd., HIS Automotives Pvt. Ltd., HL Mando Anand India Pvt. Ltd., Daeseong India Automotive Pvt. Ltd.,**

29. The interested parties made the following submissions:
- a. The imposition of the duties will significantly raise the cost of raw materials, making them uncompetitive and less viable when compared to the finished products.
  - b. Downstream users will be under additional financial burden.
  - c. There is a risk of factory shutdown if the safeguard duty is imposed as the downstream users' operation could become unfeasible.
  - d. The measure could cause loss of jobs.

**XXV. Construction Federation of India**

30. The interested party made the following submissions:
- a. A balance must be struck between protecting the domestic industry and meeting the critical needs of infrastructure projects. There is a need for sustainable and transparent supply chain.
  - b. Domestic steel prices remain significantly higher than international benchmarks despite decline in raw material costs.
  - c. From March 2022 to July 2024, the cost of raw material (iron ore and coking coal) dropped by INR 30,146 per MT, yet the domestic steel prices declined by only INR 18,000.
  - d. There is limited competition in the steel supply since 60-70% of India's steel production is concentrated among 5 to 6 manufacturers, which limits competition and creates supply constraints.
  - e. Government tenders link the steel price variations to wholesale price index, which moves slowly. Construction companies lose INR 4,000 to 8,000 per MT, which amounts to a loss of INR 30,000 to 60,000 crores annually.
  - f. The safeguard duties will increase the prices, impacting construction costs. Steel manufacturers enjoyed a significant profit margin due to previous protective measures.
  - g. There are several tariff and non-tariff barriers to steel imports, which affects infrastructure projects, such as QCOs, SIMS, high tariffs, limited alternatives, export-oriented manufacturers. These lead to higher costs and impact supply chains, which could result in increased project costs and delays in urban and rural infrastructure.



- h. India's per capita steel consumption is 83kg, which is far below global average. The target should be 160 kg per person by 2030. For this, steel availability must increase.
- i. The domestic industry's production is insufficient to meet the rising demand of 230 MMT by 2030.
- j. The government must ease non-tariff barriers, streamline certification process, revise price variation mechanisms, establish a steel price stabilization fund, encourage long-term contracts between steel suppliers and infrastructure developers, promote competition in steel supply, streamline the import monitoring system, invest in domestic production, foster public private partnerships, facilitate balanced growth and research and development and international collaboration.
- k. The MOOWR scheme must provide for an exemption to QCOs similar to the advance authorisation program.

#### D. THE PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

31. Under Rule 4(2) of the Rules, the Authority is required to identify the article liable for safeguard measure. In terms of paragraph 3 of the initiation notice<sup>1</sup> the article under investigation is “**Non-Alloy and Alloy Steel Flat Products**” (hereinafter referred to as “Product under consideration” or “PUC”) comprising of five product categories, namely, (a) Hot Rolled (“HR”) coils, sheets and plates, (b) HR Plate Mill Plates, (c) Cold Rolled (“CR”) coils and sheets, (d) Metallic Coated Steel coils and sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium, and (e) Colour Coated coils and sheets, whether or not profiled. The PUC is classifiable under Chapter 72 of the Customs Tariff Act, 1975, under tariff heading 7208, 7209, 7210, 7211, 7212, 7225 and 7226. The tariff headings are indicative only and not binding on the scope of the product under consideration.

32. In terms of paragraph 4 of the initiation notice<sup>1</sup>, the following products are *excluded* from the scope of the PUC:

- (i) Cold Rolled Grain Oriented Electrical Steel (CRGO)
- (ii) Cold Rolled Non-Oriented Electrical Steel (CRNO) coils and sheets
- (iii) Coated – Electro Galvanized Steel
- (iv) Tinplate
- (v) Stainless steel

33. The applicant provided a brief indicative and non-exhaustive description of each category of the PUC, which is reproduced below:

- a) HR coils, sheets and plates include products that are not further worked than hot-rolled and are flat products of alloy or non-alloy steel, in prime or non-prime condition having ‘as-rolled’ edge or ‘trimmed’ edge or ‘slit’ edge or ‘milled’ edge or ‘sheared’ edge or ‘laser-cut’ edge or ‘gas-cut’ edge or any other type of edges. These products may be pickled or non-pickled (with or without skin-pass), slit or non-slit, normalized or un-normalized, ultra-sonically tested or untested, oiled or non-oiled etc. These products

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<sup>1</sup> Initiation Notice No. 22/01/2024-DGTR dated 19 December 2024

may be ‘as-rolled’ or ‘thermo-mechanically rolled’ or ‘thermo-mechanically controlled rolled’ or ‘controlled rolled’ or ‘normalized rolled’ or ‘normalized’ or subject to any other similar processes. These products may have been subjected to various processing steps like pickling, oiling, rewinding, recoiling, temper rolling, heat treatment, etc. These products may be sand blasted or shot blasted or subjected to similar surface treatment processes. The HR coils, sheets and plates may be produced through the hot strip mill (HSM) route or thin slab casting route.

- b) HR Plate Mill Plates are produced through the plate mill route include products that are not further worked than hot-rolled, and are flat products of alloy or non-alloy steel, in prime or non-prime condition having ‘as-rolled’ edge or ‘trimmed’ edge or ‘slit’ edge or ‘milled’ edge or ‘sheared’ edge or ‘laser-cut’ edge or ‘gas-cut’ edge or any other type of edges. These products may be pickled or non-pickled (with or without skin-pass), normalized or un-normalized, ultra-sonically tested or untested etc. These products may be ‘as-rolled’ or ‘thermo-mechanically rolled’ or ‘thermo-mechanically controlled rolled’ or ‘controlled rolled’ or ‘normalized rolled’ or ‘normalized’ or subject to any other similar processes. These products may have been subjected to various processing steps like pickling, oiling, heat treatment, etc. These products may be sand blasted or shot blasted or subjected to similar surface treatment processes.
- c) HR Coil, Sheets, Plates and Plate Mill Plates are conventionally used in automotive, oil and gas line pipes/exploration, cold rolled steel products, wind mills, ship building, pipe manufacturing, general engineering & fabrication, construction, capital goods, process equipment for cement, fertilizer, refineries, earth-moving, boilers, pressure vessels, infrastructure projects and many more end-use applications across various sectors and industries.
- d) CR coils and sheets include cold rolled / cold reduced /flat steel products of iron or non-alloy steel or other alloy steel of all widths and thicknesses. The PUC includes cold rolled / cold reduced flat steel products in coils or not in coils, including slit coils or sheets, blanks whether or not annealed or box annealed or batch annealed or continuously annealed or any other annealing process or full hard or partially hard. These products may be oiled or supplied without oil. These products may conform to various qualities of steel including but not limited to full hard, partially hard, commercial quality, drawing, deep drawing, extra deep drawing, interstitial free steel, high strength low alloy steels, advance high strength steels, ultra-high strength steels, alloy steels, micro-alloyed steel and various other qualities, whether or not vacuum degassed or any other processes. These steels may be produced and supplied with or without skin pass / temper rolling, whether or not aluminium killed / non-ageing quality and whether or not containing micro-alloying elements. These products are used in applications spread across various end-usages including but not limited to the automotive industry, tractors, bicycles, appliances, furniture, electrical panels, packaging, drums, barrels, general engineering, substrate for coating, color coating galvanizing, metal-coating / plating, tin plate, pipe and tube manufacturing, general engineering and many more end-use applications across various sectors and industries.
- e) Metallic Coated Steel coils and sheets, whether or not profiled, include Galvanneal, Coated with Zinc, Aluminium-Zinc, or Zinc-Aluminium-Magnesium. Coated steels can be alloy or non-alloy steels, prime or non-prime quality. Coated steels can also be supplied as laminated or without lamination, lacquered or non-lacquered, skin-passed with a variety of spangles, with coatings of different composition and weight including differential coatings on either side. Coated steels are mainly used for protection against

corrosion. Coated steels are used in Roofing application, appliances, renewable energy, automotive, general engineering and many more end use applications.

- f) Colour-coated coils and sheets include coated products that undergo the colour-coating process. These products are either of alloy or non-alloy steel, whether of prime or non-prime quality, coated on one-side or both sides, either in the form of coils or plain sheets or profiled sheets including but not limited to trapezoidal, sinusoidal, corrugated or any other type of profile. These products are available in various paint qualities and a variety of paint colours, whether or not precoated with primer or any other suitable material. These products may either be painted on top surface of the steel sheet or on the bottom surface or on both top and bottom surfaces. This product may be supplied with or without guard film/lamination. These products offer resistance to corrosion along with barrier protection and are, therefore, used in many applications and sectors, including but not limited to construction, roofing, walling, panelling, cladding and decking, automotive, white goods and appliances, furniture, and many more end use applications.

34. The Authority notes that the PUC ‘non-alloy and alloy steel flat products’ comprises of five distinct categories. No interested party has made any comments regarding the single product category. However, several interested parties have made comments on the five categories of products individually. Interested parties submitted that the definition of the PUC is overly broad since it comprises of five different categories of products that are not inter-se substitutable, meaning that they are neither like nor directly competitive with one another. Interested parties further submitted that each of these five different product categories exhibit different trends in terms of import volumes and injury to the domestic industry, therefore, the five product categories must be investigated separately.

35. The domestic industry submitted that neither the Agreement on Safeguards, nor the domestic laws define the term “product under consideration”. The domestic industry relies on the WTO Panel Report of *Dominican Republic – Safeguard Measures* to contend that the Agreement on Safeguards does not govern the selection, description, analysis and determination of the PUC, and that the Agreement on Safeguards does not impose an obligation with respect to the definition or scope of the PUC.<sup>2</sup> The domestic industry also relies on *EU – Safeguard Measures on Steel (Turkey)*<sup>3</sup> to submit that in the underlying investigation therein, the EU had selected 26 different “product categories” as the PUC, even though they are not inter-se substitutable. The Panel held that there were no inconsistencies in the wide definition of the PUC adopted by the EU.

36. The Authority notes the observations of the WTO Panel in *Dominican Republic – Safeguard Measures*, and *EU – Safeguard Measures on Steel (Turkey)*. Particularly, the Authority takes note of the underlying investigation undertaken by the European Commission, where the scope of the PUC comprised of 26 distinct product categories that were not substitutable with one another. Consistent with this well well-established international legal principle in safeguard investigations, the Authority notes that there is no bar in including multiple different product categories within the scope of a single PUC definition in a safeguard investigation. The Authority further notes that neither the Act, nor the Safeguard Rules stipulate that the PUC must be defined in a manner that all product categories of the PUC must be

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<sup>2</sup> Para 7.177

<sup>3</sup> Para 7.34

substitutable with one another.

37. The Authority recognizes that the distinct categories of the product are its variants in a production value chain and their holistic examination is compatible with the objective of an effective trade remedy solution for the PUC. Thus, the Authority considered it appropriate to examine the product as a whole as well as each of the five categories individually to the extent considered necessary. The Authority notes that this would address the concerns of certain interested parties regarding the alleged different trends exhibited by different categories of the PUC.

### **Product exclusion requests**

38. The Authority received requests from several interested parties for exclusion of certain grades from the scope of the PUC, a brief summary of which is given below:

- a) Regarding the appropriate legal standard for consideration of exclusion requests, the interested parties submitted that the Agreement on Safeguards, read with the Act and the Rules stipulate that the safeguard measure may be imposed on the imports of a product that is “like” or “directly competitive” with the products manufactured by the domestic industry. It was submitted that in terms of Rule 2(e) of the Safeguard Rules, “like articles” refers to products that are identical or alike in all respects. It was submitted that assessment of whether two products are like articles entails an examination of the physical or chemical characteristics, product specifications, pricing, functions and end-uses, user requirements, user perception, manufacturing process and technology, distribution and marketing, tariff classification, technical and commercial substitutability and domestic production.
- b) Regarding “directly competitive articles”, the other interested parties submitted that domestically produced products and imported products may be regarded as directly competitive if the two offer alternative ways of satisfying a particular need or taste. The other interested parties further submitted that the WTO Appellate Body in *US – Cotton Yarn* recognized the exclusion of products for having only a tenuous competitive relation with the product produced by a domestic industry. The other interested parties further submitted that in past safeguard investigations, the Authority excluded products from the scope of the PUC if it was demonstrated that the domestic industry did not manufacture the “like or directly competitive article”.
- c) The other interested parties further submitted that the burden of proof lies with the applicant to demonstrate that it manufactures like or directly competitive articles with reference to the imported PUC. Further, the interested parties stated that the invoices submitted by the domestic industry do not discharge their burden of proof.

39. The domestic industry submitted as follows:

- a) As per WTO Panel Report of *US – Safeguard Measures on Washers* domestically produced products that are not perfect substitutes for the imported products may still be regarded as “like articles” even if the two do not share identical characteristics, as long as a competitive relationship exists between the two products.
- b) In *US – Cotton Yarn*, it was held that “directly competitive” refers to the capacity of two products to compete with one another, and not the actual competition between the

two products in the market. The domestic industry further submitted that the assessment of direct competitiveness is of a more general and objective nature, without taking into account the factors specific to each and every producer or consumer.

- c) The burden of proof lies with the other interested parties to demonstrate that the domestic industry has not supplied a like or directly competitive article of the imported grade. The burden of proof must be satisfied with respect to each grade for which a product exclusion is sought.
- d) Almost all interested parties that have requested for the exclusion of certain grades from the scope of the PUC, have done so without provide any evidence whatsoever to demonstrate their claims. The t interested parties have merely provided a list of several grades of the PUC and have made simplistic assertions that the domestic industry does not produce like or directly competitive products and cannot match the technical specifications of the imported grades.
- e) If a party claims that any grade is not manufactured by the domestic industry or that the technical specifications or quality of the domestically produced goods are insufficient, the burden of proof lies with that party to establish these claims with credible and substantiated documentary evidence. According to the domestic industry, this burden of proof must be discharged with respect to each grade for which exclusion is sought. It is not enough for the interested party to simply provide the name of a particular grade and make unsubstantiated assertions regarding the domestic industry's ability to manufacture a like or directly competitive product. The interested parties must substantiate such claim for each grade with reliable and credible evidence.
- f) The interested parties have not provided any evidence, at the individual grade-level, to demonstrate that the like and directly competitive products are not manufactured by the domestic industry.

40. The Authority reiterates that Agreement on Safeguard does not define the term “product under consideration”. Neither does it “*discipline the choice of the product under investigation, in itself.*”<sup>4</sup> The Agreement on Safeguard merely states that a safeguard measure may be imposed on imports of products that “*cause or threaten to cause serious injury to the domestic industry that produces like or directly competitive products*”. (emphasis supplied). Notably, the Agreement on Safeguard acknowledges the possibility of imposing safeguard measures on imports of the article under investigation for which there are like, or directly competitive products produced by the domestic industry.

41. In the anti-dumping agreement, the phrase “directly competitive products” is absent. “Like product” is defined as “*a product which is identical, i.e. alike in all respects to the product under consideration, or in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the product under consideration.*” The test of “likeness” in the AD Agreement is one that focuses on product characteristics. However, the Agreement on Safeguard covers not only “like product”, but also “directly competitive products”.

42. The Panel, in *US – Safeguard Measures on Washers*, drew a distinction between the

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<sup>4</sup> Panel Report, *European Union – Safeguard Measures on Certain Steel Products*, [WT/DS595/R](#) and Add.1, adopted 31 May 2022, 7.34.

concept of “likeness” and “direct competitiveness” and explained that the Agreement on Safeguards does not mandate that the product under consideration comprise only of “like products”, but may also include “directly competitive products”:

*“7.58. We note in this regard that Article 4.1 defines the domestic industry as producers of "like or directly competitive" products. The parties disagree on the meaning of the conjunction "or" in this phrase. In our view, it is possible that the use of the conjunction "or" in Article 4.1(c) indicates that the concept of likeness is distinct from the concept of direct competitiveness, as the United States submits. However, that term might also indicate, as Korea argues, that an investigating authority is permitted to include products (for the purpose of defining the domestic industry) that, even though they are not like imported products (because for instance they have different physical characteristics), are nevertheless directly competitive with imported products.*

...

*7.65. That being said, we recognize that competition in a market can manifest itself in various ways. Indeed, competition is not limited to situations where imported and domestic products are close to perfectly substitutable. Thus, to the extent Korea takes the view that "like" under Article 4.1(c) requires close to perfect substitutability between imported and domestic products, we disagree. We see no textual basis for such a view. To the extent an imported product that is not perfectly substitutable with the domestically produced good has the capacity to cause serious injury to that good through some form of competitive impact, we do not see any basis to interpret "like" in Article 4.1(c) to exclude such goods. Instead, an investigating authority is entitled as part of its causation determination to examine whether that imported product did cause injury to the domestic industry through that competitive effect. We do not consider that the drafters of the Agreement on Safeguards would have intended the domestic industry to be defined in a way that would preclude the investigating authority from making such a causation determination. However, while we recognize that competition can manifest itself in various ways, we do not consider that "like" under Article 4.1(c), interpreted in the context of Article 4 as a whole and Article 2.1, covers products that have been found not to have any competitive relation with imported products.”*

43. The Panel, in the same report, acknowledged that even if the imported goods are not “like” the domestically produced products, the imported products may nevertheless be subjected to safeguard measures if they are directly competitive with the domestically produced products. The Panel further went on to explain the differences between the legal standard of “likeness” and “directly competitiveness” as follows:

*“7.59. The Agreement on Safeguards does not define the term "like". The Oxford English Dictionary defines "like" as "[o]f similar or identical shape, size, colour, character, etc., to something else; having the same or comparable characteristics or qualities as some other person or thing; similar; resembling; analogous". The United States also refers to the Webster Dictionary definition of "like", which is "the same or nearly the same (as in nature, appearance, or quantity)". We also note that the Anti-Dumping Agreement and the SCM Agreement, which require investigating authorities in anti-dumping and countervailing duty investigations respectively to define the domestic industry based on producers of like products, define like product*

*as a product (a) which is identical, i.e. alike in all respects to the PUC; or (b) in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the PUC. These definitions do not resolve the issue of whether, and if so how and to what extent, competitive relations between imported and domestic products need to be considered as part of a likeness determination. However, when we interpret Article 4.1(c) in the context of Article 4 of the Agreement on Safeguards as a whole, and specifically Articles 4.2(a) and 4.2(b), the meaning of likeness in Article 4.1(c) becomes clearer.”*

44. To summarize the observations of the Panel, the analysis of “likeness” under the Anti-Dumping Agreement and the SCM Agreement focuses on the product characteristics and not on the competitive relationship between the products. On the other hand, the Agreement on Safeguards has a broader purview that includes competitive relationship between the products.

45. In *US – Safeguard Measures on Washers*, the Panel noted that there is no requirement under the Agreement on Safeguard for there to be a precise “match” between the imported and the domestically produced products, as long as the imported product is directly competitive and substitutable with the domestically produced product:

*“7.51. [...] Neither Article 4.1(c) nor any other provision of the Agreement on Safeguards (including the provisions governing the subsequent conduct of the investigation, such as Articles 4.2(b) and 4.2(c)), impose any additional requirements precluding what Korea describes as a “mismatch” between the PUC and the domestically produced good. Article 4.1(c) requires that the domestic industry be defined on the basis of producers of goods that are “like or directly competitive” with the PUC. To the extent the domestic industry is defined based on the producers of like or directly competitive products, there is no additional requirement under Article 4.1(c) for a “match” between the PUC and the domestically produced good. Indeed, accepting Korea’s position would mean that the investigating authority would have to exclude a producer of like or directly competitive goods from the scope of the domestic industry because the domestic product, while like or directly competitive, is essentially not the same as (or to use Korea’s words, does not “match”) the goods included in the PUC. This is at odds with the text of Article 4.1(c). We consider that if Article 4.1(c) were intended to preclude investigating authorities from defining the domestic industry on the basis of goods that are like or directly competitive but not a “match”, the provision would have been drafted differently.”*

46. The Authority is mindful that in examining the exclusion requests filed by various interested parties, the legal standard that must also be applied is whether the imported product is either “like” or “directly competitive” with the domestically produced product. Previously, in the Safeguard Investigation concerning *solar cells whether or not assembled in modules or panels*, the Authority noted that “common and overlapping application” of products may determine their competitive relationship. In this case, imported products that had overlapping applications with locally produced products were found to be directly competitive and were held to be covered within the scope of the PUC:

*“22. Some interested parties have submitted that DI does not possess Thin-film technology and “PERC” (Passivated Emitter Rear Cell) based technology, & Bi-facial N-type solar cells; High efficiency solar cells using 5 and 6 bus bar production terminology; and Solar modules of mono crystalline technology and*

*therefore PUC should be restricted only to the scope of production capability/ production by the DI. I have carefully examined this aspect and noted that Solar cells of various types produced by different technologies vary in terms of efficiency, price, physical characteristics, like size and weight etc. These variations though lead to trade off in price and efficiency, the final usage of the PUC is only to produce power.*

*23. The Safeguard duty rules (Custom Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997–Notification No. 35/97-NT-Customs dated 29.07.1997 (hereinafter called as Safeguard Rules) hold a domestic producer as “a producer of the like article or directly competitive article in India or a trade or business association, a majority of members of which produce or trade the like article or directly competitive article in India” and “like article” defined as “like article means an article which is identical or alike in all respects to the article under investigation.” The common and overlapping applications of PUC establishes that imported and domestically produced subject goods are directly competitive. This therefore does not warrant any exclusion from the scope of PUC as stated in initiation notification. I therefore uphold and confirm the scope of PUC as considered and mentioned in para 5.1 of the preliminary finding dated 5.01.2018.”*

47. With respect to the burden of proof, the Authority notes that the Hon’ble Supreme Court of India, in the case of *ATMA v. Designated Authority* has noted that the Designated Authority exercises quasi-judicial functions in trade remedy proceedings. The Authority further notes that it is a well-established principle of law that before a quasi-judicial body, the burden to prove a fact lies with the party that asserts the fact. In the case of *State of W.B. v. Atul Krishna Shaw*,<sup>5</sup> the Hon’ble Supreme Court held that “*in a quasi-judicial enquiry it is for the party who relies upon certain state of facts in their favour to adduce evidence in proof thereof.*”<sup>6</sup>

48. The Authority notes that the test to determine which party has the burden of proof, is which party would fail if no evidence is led. In the instant case, if the other interested parties claim that the DI does not manufacture the like or directly competitive grade, the said claim will fail if no evidence is led by the other interested party. Therefore, the burden of proof lies with the other interested party to adduce documentary evidence to prove their claims. This legal standard has been applied in previous safeguard investigations undertaken by the Authority, most pertinently, in the safeguard investigation concerning Single Mode Optical Fibre, where the Authority rejected the request made by a Japanese exporter to exclude certain grades of the PUC citing insufficient evidence:

*27. One of the interested parties, SEI Ltd., Japan has claimed that the grades G652, G655 and G 657 manufactured and sold by SEI are different from those manufactured by Domestic Industry on account of the difference in the physical characteristics, customer preference, quality, etc. In this regard, it is noted that the grades of SMOF are defined by the International Telecommunication Union (ITU-T), which are universally accepted. Further, it has been submitted by the Domestic Industry that their goods compete with those manufactured by SEI Ltd. not only in domestic market but also in international market. It is also not the case of the concerned exporter that grades manufactured by the Domestic industry do not*

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<sup>5</sup> 1991 Supp (1) SCC 414.

<sup>6</sup> *Id.*, para 4.



*confirm to the technical specification provided by the ITU-T, or that such specifications are vague or incorrect. Thus, in absence of any credible evidence to substantiate SEI Ltd.'s claim that there is any difference or any instance of customer preference in respect of goods manufactured by them over those manufactured by the domestic industry, their argument for exclusion of these grades cannot be accepted.*

49. The Authority therefore notes that the burden of proof lies with the interested party that requests for the exclusion of a certain grade to establish its claim.

50. The applicant filed its comments regarding the exclusion requests filed by various interested parties. The Authority has examined the exclusions requests received from various interested parties and the submissions of the domestic industry. In evaluating the claims and counterclaims regarding exclusion requests, the Authority considered the following legal standard to be appropriate.

51. Considering the legal standards as mentioned above, the Authority has formulated principles for their application to the investigation on hand and examined comments of the interested parties. The Authority notes that some of the importers, users and exporters have cited grounds such as lack of ability of domestic industry to manufacture certain product grades, lack of sufficient domestic production volumes, quality issues or lack of certification of the product made by domestic industry by the buyer/user as grounds for exclusion of specific product grades/types from the investigation. The Authority has examined these concerns. With reference to lack of domestic manufacturing capability, the domestic industry has responded with acceptance of exclusion of some of the products that it does not purport to cover in its application as these are not competing with the products manufactured by the domestic industry. With reference to others for which it has capability to produce, the domestic industry has furnished evidence for supply of the like or directly competing products. On the issue of lack of sufficient domestic production volumes, the Authority notes that the law does not contemplate that the safeguard measure can be imposed only when the domestic industry can fulfil entire domestic demand. The key question to be examined here would be that even if there is a demand supply gap, is the import surge resulting in decline in domestic production, rendering its existing and available capacity idle and thus causing injury to the domestic industry.

52. With reference to the quality issues or lack of certification by the buyer/user, the Authority notes that there is no legal requirement to prove quality as per the satisfaction of the buyer/user. If such a standard is adopted, then buyer/user would be free to reject domestically produced products citing grounds related to quality leaving the domestic industry without any remedy. The Authority further notes that certain interested parties have submitted that the imported grades are of superior quality and that the domestic industry does not manufacture like or directly competitive articles to such grades. The domestic industry submitted that the goods produced and sold by them are compliant with the relevant BIS standards. The domestic industry further submitted that if the interested parties are of the view that the BIS standard is not appropriate, the said party may raise such grievance before the BIS technical committee. The Authority reiterates that quality concerns are not a valid ground excluding a product from the scope of the PUC. The Authority considers that excluding a product grade on the basis of quality claims would undermine the objective of a trade remedy action.

53. The Authority has examined each of the exclusion requests individually in the following paragraphs. The Authority determines that it would be sufficient to examine if the Domestic

Industry is producing “like or directly competitive articles”. The likeness can be established if the Domestic Industry is selling articles falling under the same Indian Standards or of the same nomenclature, and the direct competitiveness can be established based on common and overlapping end usage or on the basis of sale to the same customer/s or customers in the same industry. The Authority notes that none of the parties are precluded from offering further comments during the course of the investigation.

54. In response to the exclusion requests filed by various interested parties, the applicant domestic industry agrees, in addition to what is not covered in its application, to the request for exclusion of the following grades / categories: *Nickel Coated / Nickel Plated Cold Rolled Steel; Rubber Coated Steel; Electro Galvanised (EG) – Zinc Nickel Coated Steel; Bi-Metal Steel / Bi-Metal Sandwich Steel; Brass Coated Steel Wire (wire is part of long steel products, which are not even covered in the notice of initiation); CRUTONITE; INCONEL; Stainless Steel Items (which are not even covered in the notice of initiation); Aluminium Coated Steel; Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel; Hot Rolled Clad Steel Plate; Nickel Plated Steel / Nickel Plated Strip; Copper Plated Steel; Laminated Electro Galvanized (EGI); Cobalt Plated Steel; Silver Plated Steel; Titanium Clad Plates*. The Authority, therefore, accepts the exclusion requests for the abovementioned grades.

**a) Hyundai Motors India Limited (HMIL)**

55. HMIL has requested the exclusion of 196 product grades/types of steel from the scope of the PUC. The exclusion requests have been divided into three broad categories – (a) the products for which the DI does not have capability (38 grades); (b) products for which there are capacity constraints (141 grades), and (c) products for which the domestic industry is not allocating sufficient quantities to HMIL (17 grades).

56. It is noted that HMIL has identified five Indian Standards under which these 196 grades are covered – India Standard (IS) 1079, IS 18385, IS 513 Part 1, IS 513 Part 2, and IS 5986. The submission and categorization of HMIL do not address whether the domestic industry is engaged in manufacturing “directly competitive” articles. Nonetheless, it is assumed that as an automobile manufacturer, the products for which exclusion has been sought are used in automotive applications.

57. As noted above, there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 196 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user (such as HMIL) on a standalone basis. Additionally, HMIL has stated that for certain grades, the quality of the goods supplied by the domestic industry is not satisfactory. The Authority notes that differences in the quality of the products cannot be grounds for exclusion of a product from the scope of the PUC. Furthermore, the lack of customer certification is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer could deny certification of the domestic industry’s products thereby ensuring that such products do not attract trade remedy measures.

58. The Authority determines that, it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”.

59. As stated earlier, the Authority has accepted the exclusion requests for (a) Aluminium Coated Steel; (b) Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel;

and (c) and Nickel Coated / Nickel Plated Steel.

60. The applicant, in its submissions, has produced various invoices for products covered under IS 513, IS 1079, IS 18385 and IS 5986. Further, the applicant has provided various invoices covering wide range of HR, CR and Metallic Coated steel sold to automotive companies such as [\*\*\*], etc. Therefore, the Authority, is unable to accept the exclusion requests of HMIL pertaining to the grades other than the grades that have been accepted by the domestic industry.

**b) Hyundai Steel Corporation (HSC)**

61. The interested party has requested for the exclusion of a total of 104 product types/grades of products citing reasons of (a) capacity constraints of the domestic industry (14 grades); (b) difficulty in transportation and lead time (6 grades); (c) products not produced by the domestic industry or delay in localization of production (55 grades); (d) quality issues (26 grades); and suppliers designated by project owners.

62. HSC further contends that other jurisdictions have excluded automotive steel from the scope of the PUC in anti-dumping investigations concerning flat steel products. As stated above, unlike the Anti-Dumping Agreement, where the scope of the PUC is limited to “like articles”, the legal standard for the scope of the PUC under the safeguard law includes “directly competitive” articles. Further trade remedy investigations take into account a country’s domestic situation at a particular point in time. The findings of other jurisdictions cannot be automatically adopted. Therefore, the reliance placed by HSC on anti-dumping determinations of other jurisdictions is not tenable.

63. The Authority notes that HSC has not identified the specific Indian standard of the grades for which it has sought exclusion. The submission and categorisation of HSC do not address whether the domestic industry is engaged in manufacturing “directly competitive” articles. The Authority notes that 87 out of the 104 types/grades of products for which exclusion has been sought have automotive applications, whereas 17 types/grades are used in other sectors.

64. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 104 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user (such as HSC) on a standalone basis.

65. HSC claims that the quality of certain grades supplied by the domestic industry is not satisfactory. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval (where suppliers are designated by project owners) is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry’s products thereby ensuring that such products do not attract trade remedy measures. Further, the difficulty in transportation is not a justifiable ground for seeking exclusion of a product since this neither disproves the substitutability of the product, nor the ability of the domestic industry to manufacture like or directly competitive articles.

66. Among the 87 automotive grades of steel, HSC’s request covers GI/GA, Aluminium-

Silica coated, High Strength and Ultra-High Strength Steel, and Ultra Deep Drawing Steel. As stated earlier, the Authority has accepted the exclusion requests for (a) Aluminium Coated Steel; (b) Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel.

67. With respect to the remaining product types/grades having automotive application, the Authority notes that HSC has not provided the corresponding Indian Standard for the grades for which it seeks exclusion. The applicant has provided various invoices covering wide range of HR, CR and Metallic Coated steel sold to automotive companies such as [\*\*\*], which demonstrates that the domestic industry has supplied articles that have common and overlapping usage with the products for which HSC has sought an exclusion. These products are therefore directly competitive. Therefore, the Authority, is unable to accept the exclusion requests filed by HSC other than the grades that have been accepted by the domestic industry.

68. With respect to the 17 grades/types which pertain to other application, it is noted that these 17 grades/types include High Strength Special Steel, High Carbon Hot-Rolled Steel, API Certified Hot Rolled Steel, Heavy Plates, etc. The Authority notes that the end usage identified by HSC for these grades/types includes pressure vessels, pipe manufacturing, windmills, shipbuilding, etc. The Authority notes that the domestic industry has filed various invoices, covering sales of several grades of High Strength, High Carbon Steel and Heavy Plates and API Certified Steel, which have common and overlapping usage with the 17 grades/types of steel for which HSC has sought an exclusion. Therefore, the Authority is unable to accept the exclusion requests filed by HSC pertaining to the grades used in non-automotive applications.

**c) The Government of Korea (GOK) and Korea Iron and Steel Association (KOSA)**

69. The Government of Korea (GOK) and Korea Iron and Steel Association (KOSA) have made identical requests for the exclusion of 52 grades/types of steel.

70. The GOK requests for the exclusion of the 52 grades/types citing (a) lack of customer approval; (b) insufficient supplies by the domestic industry; (c) quality issues. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 52 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority determines, it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”. The Authority notes that the differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval (where suppliers are designated by project owners) is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry’s products thereby ensuring that such products do not attract trade remedy measures. Similarly, difficulty in transportation cannot be a valid ground for seeking product exclusion because the Authority is only required to examine whether the domestic industry is engaged in manufacturing “like” or “directly competitive” articles.

71. The Authority notes that the GOK and KOSA have identified 27 types/grades that are used in automotive applications. The applicant has produced various sales invoices of steel with diverse grades supplied to the automotive industry. Therefore, the Authority is unable to accept the exclusion requests filed by these interested parties pertaining to grades used in automotive application.

72. The Government of Korea and KOSA has further identified products which have usage in construction (4); home appliances (16); solar power plants (3); electrical steel (1); and moulds and tools (1). The Authority notes that the interested parties have not provided Indian standard of the grades/types used in moulds and tools. Therefore, such exclusion requests cannot be considered at this stage for lack of details which could be used to apply the legal test of like and directly competitive articles.

73. The Authority notes that with respect to the products used in home appliances, the domestic industry has provided various sales invoices, covering pre-painted galvanised steel and galvanized steel, which are used in home appliances sold to consumer electronics companies such as [\*\*\*], etc. Therefore, the Authority, is unable to accept the request to exclude the 16 grades/types used in home appliances.

74. The Authority notes that 2 out of the 52 types/grades which the Government of Korea and KOSA identify are “All electrical steel products which POSCO Maharashtra clears the customs” and “All Hot-rolled coils which POSCO Maharashtra clears the customs”. Due to lack of any legal basis, the Authority is unable to accept such requests for broad company-specific generic exclusions.

**d) Nippon Steel Corporation (NSC)**

75. Nippon Steel Corporation (NSC) has filed exclusion requests for 312 grades/types of products. The exclusion requests can be categorized under four broad categories: (a) products cannot be manufactured in India; (b) products manufactured in India do not meet steel-users' demand, higher technological specifications and qualities, precise delivery; (c) grades specifically designed to meet the requirements of AM/NS India's rolling and coating lines (d) the quality of the goods supplied by the domestic industry lacks customer certification.

76. The domestic industry submitted that NSC has merely provided the names of the grades for which it has sought exclusion. The domestic industry further submitted that NSC has made assertions that the grades are not manufactured by the domestic industry and that there are no client approvals due to insufficient quality. The domestic industry submitted that the burden of proof lies with NCS to demonstrate the said claims with respect to each of the grades for which NSC has sought exclusion.

77. The domestic industry further submitted that it has filed invoices containing at least [\*\*\*] sales transactions of Hot Rolled Coils, [\*\*\*] transactions of HR Plate Mill Plates, [\*\*\*] transactions of Hot Dipped Galvanized Sheets, [\*\*\*] transactions of Cold Rolled Coils and [\*\*\*] transactions of Zinc-Aluminium-Magnesium, which are either like or directly competitive with the articles for which NSC has sought exclusion.

78. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 312 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

79. The Authority also notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to

deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures. Further, difficulty in delivery of product is not a justifiable ground for seeking exclusion of a product since this neither disproves the substitutability of the product, nor the ability of the domestic industry to manufacture such products.

80. As stated earlier, the Authority has accepted the exclusion requests for (a) Aluminium Coated Steel; (b) Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel; and (c) and Nickel Coated / Nickel Plated Steel. The Authority notes that 8 out of the 312 grades of steel for which NSC has sought exclusion falls under the excluded categories of the PUC.

81. **Hot Rolled Coils** - NSC requested 44 grades/types for exclusion under Hot Rolled Coils, out of which 31 grades/types have usage in Automotive sector. The applicant has provided several invoices covering Hot Rolled products, which were sold to automotive companies such as [\*\*\*], which demonstrates that the domestic industry has supplied articles that have common and overlapping usage with the products for which Nippon Steel Corporation has sought an exclusion.

82. NSC has also claimed exclusion for 13 grades/types which it supplied to AMNS India for captive usage. AMNS India Ltd. has stated that they are committed to being an applicant/domestic industry and that they are fully aligned with the views of the applicant, with regard to the product scope and the exclusion requests made by various interested parties. Therefore, the Authority is unable to accept the exclusion requests of these 13 grades.

83. **Hot Rolled Plates** - NSC requested 122 grades/types for exclusion under Hot Rolled Plates having usage in building construction, Boilers, Pressure Vessels construction machinery, Flue-gas treatment equipment used with Coal-fired boilers, waste incineration plants, Manufacturing pipes used for pipeline, Penstock and Home appliances. The Authority examined several invoices provided by domestic industry which demonstrates that the domestic industry has supplied articles that have common and overlapping usage with the above.

84. **Hot Dip Galvanized & Cold Rolled Coils** - NSC have requested exclusion for 32 grades/types under Hot Dip Galvanized and 22 grades/types under Cold Rolled Coils category having usage in Automotive industry. The Authority notes that domestic industry has provided several invoices covering galvanized and cold rolled coils sold to automotive companies such as [\*\*\*], etc., which have common and overlapping usage with the grades/types Nippon Steel have sought exclusion for.

85. **Coated with Zinc-Aluminium-Magnesium** - NSC have requested exclusion for 92 grades/types under Zinc-Aluminium-Magnesium coated steel category having usage in Solar power generation panel, Automobile manufacturing and Home appliances. The domestic industry has provided several invoices covering Zinc-Aluminium Magnesium sheets, which have common and overlapping usage with the products for which Nippon Steel Corporation has sought exclusion.

86. Therefore, the Authority, is unable to accept the exclusion requests filed by Nippon Steel Corporation other than the ones accepted by the domestic industry.

e) **JFE Steel Corporation ("JFE")**

87. **Coated Steel** - JFE had asked for the exclusion of 37 different grades of Coated Steel from the scope of the PUC. The exclusion requests have been divided into two broad categories – (a) the products / grades that the DI does not produce (13 grades), (b) The products for which the DI does not have the capacity to meet the specific requirements and also there is no customer approval (24 grades). All the grades of coated steel are stated to have an end use for the purposes of “automobile”.

88. The domestic industry submitted that JFE has merely provided the names of the grades for which it has sought exclusion. The domestic industry further submitted that JFE has made assertions that the grades are not manufactured by the domestic industry and that there are no client approvals due to insufficient quality. The domestic industry submitted that the burden of proof lies with JFE to demonstrate the said claims with respect to each of the grades for which JFE has sought exclusion.

89. The domestic industry further submitted that it has filed invoices containing at least [\*\*\*] sales transactions of Hot Rolled Coils, [\*\*\*] transactions of HR Plate Mill Plates, [\*\*\*] transactions of Hot Dipped Galvanized Sheets, [\*\*\*] transactions of Cold Rolled Coils and [\*\*\*] transactions of Zinc-Aluminium-Magnesium, which are either like or directly competitive with the articles for which JFE has sought exclusion.

90. Authority notes that the JFE has provided various Japanese Standards under which the 37 grades for which exclusion is requested are covered. No corresponding Indian Standard grade for any of the said Coated Steel s have been provided. The submission and categorisation of JFE do not address whether the domestic industry is engaged in manufacturing “directly competitive” articles.

91. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 37 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

92. Additionally, JFE has stated that for certain grades, the goods supplied by the domestic industry do not match the specific requirements. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Furthermore, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry’s products in order to claim lack thereof as grounds for exclusion during trade remedy measures.

93. The Authority has also examined if the Domestic Industry is producing “like or directly competitive articles”. The Authority notes that the applicant has provided various invoices corresponding to some of the Japanese grades. Furthermore, the applicant has provided various invoices covering coated steel which were sold to automotive companies such as [\*\*\*], etc. Therefore, the Authority is unable to accept the exclusion the requests filed by JFE.

94. **Cold Rolled Coils** - JFE Steel Corporation had asked for the exclusion of 25 different grades of Cold Rolled Coils from the scope of the PUC. The exclusion requests have been divided into three broad categories – (a) the products / grades that the DI does not produce (2 grades), (b) the products for which DI does not have customer approval (21 grades), and (c) the products for which there is better quality and stable supply from the Japanese exporters. All

the grades of cold rolled steel are stated to have an end use for the purposes of “automobile”.

95. The Authority notes that all these grades are covered under IS 513-Part 1 and IS513-Part 2. The submission and categorisation of JFE do not address whether the domestic industry is engaged in manufacturing “directly competitive” articles.

96. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 25 grades with identical specifications.

97. Additionally, JFE has stated that for certain grades, the goods supplied by the domestic industry do not match the quality supplied by Japanese exporters. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. The Authority also notes that there is no requirement under the law that the domestic industry must be able to fulfil the entire demand for the country and each individual user on a standalone basis. Furthermore, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval to the domestic industry’s products to seek exclusion during trade remedy measures.

98. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”. The Authority notes that the applicant has provided various invoices of steel covered under IS 513. Furthermore, the applicant has provided several invoices covering cold rolled steel to automotive companies such as [\*\*\*], etc. Therefore, the Authority is unable to accept the exclusion the requests filed by JFE.

99. **Hot Rolled coils** - JFE Steel Corporation had asked for the exclusion of 9 different grades of hot rolled Coils from the scope of the PUC. The exclusion requests have been divided into two broad categories – (a) the products / grades that the DI does not produce (1 grade), (b) the products for which DI does not have customer approval (8 grades). All the grades of hot rolled steel are stated to have an end use for the purposes of “automobile”.

100. It is noted that all these grades are covered under IS-5986 and IS-2062. The submission and categorisation of JFE do not address whether the domestic industry is engaged in manufacturing “directly competitive” articles.

101. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 9 grades with identical specifications.

102. The Authority notes that the lack of customer approval is not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry’s products to ensure that such products are excluded during trade remedy measures.

103. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”. The Authority notes that the applicant has provided various invoices of steel covered under IS 5986 and IS 2062. Furthermore, the applicant has provided invoices of hot rolled steel which were sold to automotive companies. Therefore, the Authority is unable to accept the exclusion requests filed by JFE.



104. **Plate Mill Plates** - JFE Steel Corporation had asked for the exclusion of various grades of plate mill plates from the scope of the PUC. The exclusion requests have been divided into three broad categories – (a) the products / grades that the DI does not produce, (b) lesser quality of the products by DI, (c) capacity constraints of the DI. All the grades of plate mill plates are stated to have an end use for the purposes of “construction machine” and “pipe”.

105. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every grade with identical specifications.

106. JFE has stated that for certain grades, the goods supplied by the domestic industry do not match the quality supplied by Japanese exporters. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC.

107. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”. The Authority notes that the applicant has provided various invoices evidencing the sale of various grades of hot rolled plates having common and overlapping usage with that provided by JFE. Therefore, the Authority is unable to accept the exclusion requests filed by JFE.

108. **Clad Steel Plate:** JFE Steel Corporation had asked for the exclusion of various grades of clad steel plate from the scope of the PUC. The exclusion requests have been submitted on two grounds: (a) Indian mills cannot produce alike / identical product, and (b) Indian mills do not have approval of critical industry end users for Roll bonded Clad Plate. All the grades of clad steel plate are stated to have an end use for the purposes of oil, gas, fertilizer, petrochemical or hydroelectric.

109. As stated earlier, the Authority has accepted the exclusion requests for clad steel plates. The Authority therefore agrees for the exclusion of clad steel plates from the scope of the PUC. All the grades for which JFE has sought exclusion that fall under the category of clad steel plates are consequently excluded from the scope of the PUC.

**f) Nippon Steel Pipe India Pvt. Ltd., Honda Trading Corporation India Pvt. Ltd., Rajasthan Prime Steel Processing Centre Pvt. Ltd., Renault Nissan Automotive India Pvt. Ltd. and JFE Shoji India Pvt. Ltd.**

110. These interested parties reiterated the exclusion requests made by JFE and Nippon Steel Corporation. Since the Authority has examined the exclusion requests filed by JFE and Nippon Steel Corporation above, there is no necessity to re-examine the same.

**g) The Society for Indian Automobile Manufacturers (“SIAM”)**

111. The Society for Indian Automobile Manufacturers (“SIAM”) has sought exclusion of 218 grades/types having automotive applications. SIAM claims that the domestic industry does not manufacture the grades with the precise technical specifications required by its Members. The submissions of SIAM do not address whether the domestic industry is engaged in manufacturing “directly competitive” articles.

112. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each of these 218 grades with identical

specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority has examined SIAM's request for exclusion of 218 grades/types. Among the 218 types/grades, the Authority notes that certain products, such as electrogalvanized steel, have already been excluded from the scope of the PUC in terms of paragraph 4 of the Initiation Notification. As stated earlier, the Authority has accepted the exclusion requests for Nickel Coated Steel, EG Zinc-Nickel Coated Steel, Bi Metal Sheet, Aluminium Coated Steel, Aluminium-Silicon Coated Steel, Hot Dipped Aluminium Silicon Coated Steel, etc. The specific grades for which SIAM has sought exclusion that fall under these categories are consequently excluded from the scope of the PUC. The Authority notes that the following 32 out of the 218 grades of steel for which SIAM has sought an exclusion request fall under the grades accepted for exclusion by the domestic industry. The following grades are excluded from the scope of the investigation.

ALCOSTA

SA1D

SA1E

Al-Si coated steel

PHS950Y1300T

PQS340Y410T

SABC1470

"EN 10327 DX56D (ALCOSTA – Hot-dip aluminum silicon coated steel)"

Electro Nickel Coated Cold Rolled Steel Sheet in Coil "Ni Top"

Electrolytically Nickel Plated Cold Rolled Steel (Hillumin)

TS-4525

Durzinklite/NSNC270G

JFE-CGX-EZN\*GT ; JFE-CE-EZN\* M/GT

EFTSN

HES-JNC270E

JFE-CE-EZNM/GT-0-0/20 (EZNPEN)

JNC270DN

JNC270DNZ

JNC270FNZ

SRNCEN-D

SRNCEN-F

SRNRC390E-F

Welcote (WZLEN)

YJNC270D

YNC270D

YNC270F

Zn-Ni coated steel

SECC

SECC-S

SPCEN-CF-TYPE-D

Aluminium Alloy and base metal Steel

Sandwich Steel (MPM)

113. With respect to the other grades, the applicant has provided invoices covering a wide range of HR, CR and Metallic Coated steel, that were sold to automotive companies such as [\*\*\*], etc., demonstrating sales of articles that are “directly competitive” with the imported products identified by SIAM.

114. SIAM has also specifically requested for exclusion of products based on the tensile strengths. SIAM requests for the exclusion of products ultra-high tensile steel. The applicant has provided various sales invoices of with steel with diverse tensile strength. Therefore, the Authority is unable to accept the exclusion requests filed by these interested parties pertaining to grades used in automotive application other than the grades that have been accepted by the domestic industry.

115. The Authority further notes that among its request for exclusion of specific grades/types, SIAM has also made a broad and generic request for the exclusion of “Base HR (POSCO)”. The Authority notes that such broad request of HR steel imported by POSCO is not only unreasonable, but also legally untenable. It is well established that the Authority does not grant company-specific product exclusions. Additionally, SIAM does not explain why the “Base HR (POSCO)” is not directly competitive with the articles manufactured by the domestic industry. Hence, the Authority is unable to accept SIAM’s request for exclusion of “Base HR (POSCO)”.

**h) Kia India Pvt. Ltd.**

116. The interested party has requested for the exclusion of 34 grades/types of products on the grounds that (a) the domestic industry does not manufacture the products (17); (b) the domestic industry has insufficient capacity to supply the grades in sufficient quantities (12); and (c) there are quality issues associated with the grades supplied by the domestic industry (5).

117. The Authority notes that 2 of the 34 grades/types of products, are aluminium coated and aluminium-silicon coated, which have been excluded as stated earlier. With respect to the remaining 32 grades/types of products for which Kia India Pvt. Ltd. has sought exclusion, the Authority notes that each of these 32 grades/types of products are covered in the exclusion request filed by SIAM, which the Authority has already examined above. The Authority therefore sees no reason to re-examine such exclusion requests.

118. The Authority-notes that 3 out of the 34 grades of steel for which KIA has sought exclusion fall under the under the grades accepted for exclusion by the domestic industry. The following grades are excluded from the scope of the investigation

ALC SADC

AL-SI SABC1470

ZN-NI SRNRC390E-F

- i) **S R K steels, Daeseong India Automotive Private Limited, KSH Automotive Pvt Ltd, HYOSUNG TNC Corporation, PYUNG HWA India Pvt Ltd, Arun Agarwal, Daechang India seat Company Pvt Limited, Pennar Industries Limited, Construction Federation of India, Ferrum Extreme Engineering Pvt Ltd, Daebu Automotive Seat India Pvt Ltd, YSI Automotive Pvt Limited, SKH M India Private Limited, DMC Automotive Pvt Ltd, Talbros Automotive Components Ltd, HL Mando Anand India Pvt Ltd, Daechang Seat Automotive Pvt Ltd, Federal Mogul Sealings India Limited, GESTAMP Automotive Chennai Private Limited, Hariom Pipe Industries Limited, HSI Automotive Private Limited , HWASHIN Automotive India Private limited, Windar Renewable Energy Private limited, Hyundai Transys Lear Automotive India Private limited, IFB Automotive Private Limited, JBM Auto Limited, JBM Ogihara Automotive India Limited, JEANUVS Private India Limited, Jaya Springs, KM Seat Company Private Limited, KAD & Co. Pvt Limited, Karison Profiles Pvt Limited, Krishca Strapping Solutions Limited, MACHANI RAMESH ENGINEERING PVT LTD, NVH India Auto Parts Private Limited, PHA India Pvt Ltd, Purohit Steel India LTD, Pushpanjali Drums Private Limited, Severstal, Bundy India Limited, KWANG Sung Brake India Pvt Ltd, PHA India Pvt Ltd, RIKUN MANUFACTURING PRIVATE LIMITED, SRK STEELS, Fine Components and Tools Pvt Ltd, Komos Automotive India Pvt Ltd, UE PRESS TOOLS PRIVATE LIMITED, Sincerity Innovation Technology India Private Limited, Sungwoo Stamping India Pvt Limited, Tadpole Engineering Consultancy Pvt Ltd, Velmurugan Heavy Engg. Inds. Pvt. Ltd., Wooyoung Automotive india Pvt. Ltd, Kumkang Machinery India Pvt. Ltd., VW Impex, Federation of Associations of Maharashtra (FAM), Federation of Kutch Industries, TAIIN Steel Fab and Infra Pvt Ltd, KSH India, PCA AUTOMOBILES INDIA PRIVATE LIMITED, POS-Hyundai Steel MFG Pvt Ltd., GRI Towers India Private Limited.**

119. The Authority notes that these interested parties have filed exclusion requests without specifying the specific grades/types of products for which it seeks exclusion. Several of these interested parties have sought for a broad exclusion of “alloy steel and ultra high-tension steel” citing that imports are necessary because of “import policy conditions”, “good relations” with foreign producers, and the “difficulty” in purchasing such products from Indian Producers. These interested parties have neither substantiated their exclusion requests with valid and

justifiable grounds, nor have they provided the specific grades/types of steel for which they seek exclusion. The Authority is unable to consider such broad and generic exclusion requests. Notwithstanding this, the applicant has provided various invoices of with steel with diverse tensile strength. Therefore, the Authority is unable to accept the exclusion requests filed by these interested parties pertaining to grades used in automotive application.

**j) Indian Pipes Manufacturers Association (IPMA), Man Industries India Limited, Mega Pipes Pvt. Ltd., Maharashtra Seamless Limited, Ratnamani Metals & Tubes Limited and Welspun Corp Ltd. and Jindal India Limited**

120. These interested parties have requested for exclusion of various API Grades. These interested parties have conceded that the domestic industry manufactures API Grades. The domestic industry has provided various invoices, covering API Certified Steel. The domestic industry has also provided invoices for the sales of API grade steel to several companies, including [\*\*\*].

121. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. Given that the domestic industry has supplied API Grade Steel to pipe manufacturers, the Authority is unable to accept the exclusion requests filed by these companies.

**k) POSCO, Korea RP**

122. The interested party has requested for the exclusion of a total of 111 types / grades of products citing reasons of: (a) quality concerns, (b) products not produced by the domestic industry, (c) vendor certification, (d) capacity constraints of the domestic industry.

123. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 111 types / grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

124. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Furthermore, the lack of vendor certification is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned vendor would have the ability to deny certification of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.

125. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing "like or directly competitive articles". The interested party has sought the broad exclusion of Hot Rolled Non-Oriented Electrical Steel (HRNO) and Cold Rolled Full Hard (CRFH) citing quality issues affecting its production of Cold Rolled Non-Oriented Electrical Steel. The Authority notes that this is not a valid ground of exclusion as already discussed above. The interested party has also not provided any precise specification of the product for which it seeks exclusion. Furthermore, the applicant has provided invoices evidencing sale of HR for industrial application and CRFH. The Authority therefore is unable to accept the exclusion request.

126. The interested party has sought the broad exclusion of HR Substrates of Carbon Steel (or Automotive Steel) citing issues relating to quality and vendor approval. The Authority notes that these are not valid grounds of exclusion as already discussed above. The interested party has also not provided any specification of the product for which it seeks exclusion. Furthermore, the applicant has provided several invoices evidencing its sales of to the automotive industry. Therefore, the Authority is unable to accept the exclusion request of the interested party.

127. The interested party has sought the exclusion of more than 57 grades of POSCO Magnesium Aluminium Alloy Coating Product. The interested party has also sought the exclusion citing quality concerns, vendor certification, and certain differences in physical and chemical properties. The Authority notes that these are not valid grounds of exclusion as already discussed above. The Authority notes that the applicant has produced invoices demonstrating its sales of Zinc-Aluminium-Magnesium coated products, and also demonstrated supplies to solar power developers or equipment producers. The Authority notes that the interested party has failed to establish that different thicknesses or the different chemical and physical properties of the concerned product are not directly competitive products and do not have common and overlapping end usage with the domestic like article. The Authority therefore is unable to accept the exclusion request of the interested party.

128. The interested party has sought exclusion of more than 18 grades of “Super High Carbon and Alloy High Carbon Steel” citing issues relating to quality and the domestic industry’s inability to provide the same. The Authority notes that quality issue are not valid grounds of exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 18 types / grades with identical specifications. The domestic industry has provided several invoices demonstrating sale of steel with high carbon content, as also invoices, which are supplied to automotive, engineering and machinery manufacturers, such as [\*\*\*]. Therefore, the Authority is unable to accept the exclusion request of the interested party.

129. The interested party has sought exclusion of more than 11 grades of “Hot-rolled and Plate products under American Petroleum Institute (‘API’)” citing issues relating to quality and the domestic industry’s inability to provide the complete range of API products. The Authority notes that quality issues are not valid grounds of exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 11 types / grades with identical specifications. The Authority further notes that the applicant has provided various invoices evidencing sales of the API grades as provided by the interested party. Therefore, the Authority, , is unable to accept the exclusion request of the interested party.

130. The interested party, under the broad category of Automotive Steel, has sought the exclusion of (A) Galvanised or Galvannealed steel for Automotive use citing issues of supply constraints, the Authority notes that there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis, (B) more than 2 grades of Ultra-High Strength Steel citing the applicant’s inability to manufacture the said product, the Authority notes that the applicant has provided invoices demonstrating sales of products to automobile companies with diverse tensile strengths, (C) more than 4 grades of PHT (Post Heat Treatment) Steel Grades citing he applicant’s inability to manufacture the said product, the Authority notes that the applicant has provided invoices demonstrating sales of PHT Steel grades, (D) more than 6 grades of Advanced High Strength Steel citing that the applicant is not able to produce all grades, the Authority notes that there is

no requirement under law for the applicant to prove that it manufactures each and every grade, (E) more than 9 grades of Automotive Steel for Exposed parts including Bake Hardening Steel citing issues relating to vendor approval, the Authority notes that vendor approval is not a ground for exclusion, and (F) “Mild Steel for A-Class unexposed parts with complex shape & Pickled and Oiled steel for Automotive Chassis parts” citing issues relating to vendor approval, the Authority notes that vendor approval is not a ground for exclusion.

**l) POSCO Maharashtra Steel Pvt. Ltd**

131. The interested party has requested for the exclusion of a total of 52 proprietary types / grades of products, specifically for itself, citing reasons of: (a) quality concerns, (b) vendor certification.

132. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each and every of these 52 types / grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

133. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Furthermore, the lack of vendor certification is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned vendor would have the ability to deny certification of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.

134. The interested party has sought the exclusion of 17 proprietary grades of Cold Rolled Full Hard (CRFH) and Hot Rolled Non-Oriented Electrical Steel (HRNO) citing quality issues. The Authority notes that quality issues are not grounds of exclusion. The Authority further notes that proprietary names are company specific and cannot be used by other producers. The Authority notes that the applicant has provided invoices demonstrating its sales of CRFH. Therefore, the Authority, is unable to accept the exclusion request of the interested party.

135. The interested party has sought the exclusion of 35 proprietary grades of “Substrates of Carbon Steel (or Automotive Steel) for POSCO MH” citing quality issues and lack of vendor approval. The Authority notes that these are not valid grounds for exclusion. The Authority further notes that proprietary names are company specific and cannot be used by other producers. The Authority notes that company-specific product exclusions cannot be granted. Therefore, the Authority is unable to accept the exclusion request of the interested party.

136. The Authority determines that, it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”. The Authority notes that the domestic industry has supplied various invoices evidencing its supplies to the automotive companies such as [ \*\*\*], etc.

**m) POSCO SteeleON, Korea RO**

137. The interested party has requested for the exclusion of a total of 4 types / grades of products namely: (1) Aluminized Steel (Brand Name: ALCOSTA), (2) Colour Coated Electro-Galvanised Steel, (3) Coated Zinc-Aluminium-Magnesium (Zn-Al-Mg) Alloy Steel (Brand Name: Macosta), (4) Zinc-Aluminium (Zn-Al) Alloy steel (Brand Name: ALZASTA).

Authority notes that the exclusion request for Aluminized steel has been accepted as stated in paragraph no. xxx

138. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”. The interested party has sought the exclusion of Aluminized Steel (Brand Name: ALCOSTA). As stated earlier, the Authority has accepted the exclusion requests for Aluminized Steel.

139. The Authority understands that Metallic Coated Electrogalvanized Steel would be covered within the exclusion in the notice of initiation, namely, “*Coated – electro galvanized steel*”. The Authority also understands the colour coated electro galvanized steel is nothing, but colour coated steel. Accordingly, the Authority is unable to accept the exclusion request filed by POSCO with respect to colour coated electrogalvanized steel.

140. The interested party has sought the exclusion of ‘Coated Zinc-Aluminium-Magnesium (Zn-Al-Mg) Alloy Steel (Brand Name: Macosta)’ citing, (a) differences in quality between its products and the applicant’s product, (b) specialized application and vendor certification, and (c) lack of domestic alternatives. The Authority notes that quality differences and vendor certifications are not valid grounds of exclusion as discussed above. The Authority notes that the law does not require the applicant to prove the manufacture of the grades with identical specifications. The Authority further notes that the applicant has provided invoices demonstrating its sales of Coated Zinc-Aluminium-Magnesium (Zn-Al-Mg) Alloy Steel. The Authority therefore is unable to accept the exclusion requests of the interested party.

141. The interested party has sought the exclusion of ‘Zinc-Aluminium (Zn-Al) Alloy Steel (Brand Name: ALZASTA)’ citing, (a) differences in quality between its products and the applicant’s product, (b) premium pricing of its product. The Authority notes that these are not valid grounds of exclusion. The Authority notes that the applicant has provided invoices demonstrating its sales of Zinc-Aluminium Alloy Steel. The Authority therefore is unable to accept the exclusion request of the interested party.

**n) AMNS India Limited and AMNS Khopoli**

142. AMNS India and AMNS Khopoli requested for the exclusion of certain grades imported from Nippon Steel Corporation. The Authority has already examined the exclusion request of these grades while examining submissions of Nippon Steel Corporation above.

**o) LG Electronics India Ltd.**

143. LG Electronics India Ltd. has requested for the exclusion of 4 grades/types used in refrigerators, washing machines and other appliances. LG states that the domestic industry does not manufacture such grades/types and that the domestic industry does not have commercial sales and commercial supplies of the relevant grades. LG further submits that the applicants are unable to meet the quality standards and the quantity requirements of the customers. LG has further requested that the authority replace the word “include” in the definition of the PUC with the word “namely” to clearly indicate that the PUC only covers the five product categories and not the products that are not being manufactured by the domestic industry. The Authority notes that the coverage of product categories needs to be clear and specific and therefore agrees with the request for change from ‘include’ to ‘namely’.

144. The domestic industry submitted that LG has merely provided email correspondences



with Tata Steel and JSW, but none of the other domestic producers regarding their inability to supply the PUC. The domestic industry submitted that LG has not provided any evidence that any of the other applicant companies were unable to manufacture and supply the required grades. The domestic industry further submitted that it has filed invoices containing at least [\*\*\*] transactions involving sale of PPGI and PPGL steel.

145. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval (where suppliers are designated by project owners) is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.

146. As stated earlier, the Authority has accepted the exclusion requests for Laminated EGI sheets in the scope of the PUC. With respect to the other grades/types, the domestic industry has provided various invoices covering pre-painted galvanized steel and pre-painted galvanized steel, which are used in home appliances. Additionally, the invoices provided by the applicant indicate sales to consumer electronic companies such as [\*\*\*], etc. Therefore, no grounds exist for the exclusion of the said articles from the scope of the PUC. LG has also requested that the Authority clarify that the exemption of "*Coated-Electro Galvanized Steel*" covers "*All types of EGI including coated/laminated/printed/painted EGI*". The applicant has agreed for the exclusion of laminated EGI from the scope of the PUC. The Authority understands that Metallic Coated Electro Galvanized Steel would be covered within the exclusion in the notice of initiation, namely, "*Coated – electro galvanized steel*". However, the Authority is unable to accept the exclusion request filed by LG with respect to printed/painted electro galvanized steel.

**p) Godrej & Boyce Mfg. Co. Ltd.**

147. Godrej has requested for the exclusion of 8 grades/types of products that are used in home appliances (3) and pressure equipment divisions (5). Godrej has further requested that the authority replace the word "include" in the definition of the PUC with the word "namely" to clearly indicate that the PUC only covers the five product categories and not the products that are not being manufactured by the domestic industry. The Authority notes that the coverage of product categories needs to be clear and specific and therefore agrees with the request for change from 'include' to 'namely'.

148. With respect to the 3 grades/types of products used in home appliances, Godrej has submitted that such products are not manufactured by the domestic industry. Godrej claims that the applicant companies have admitted that they are unable meet the technical specifications required by Godrej.

149. The domestic industry submitted that Godrej has merely provided email correspondences with Tata Steel, JSW and AMNS, but none of the other domestic producers regarding their inability to supply the PUC. The domestic industry submitted that LG has not provided any evidence that any of the other applicant companies were unable to manufacture and supply the required grades. The domestic industry further submitted that it has filed

invoices demonstrating sales of like or directly competitive articles.

150. With respect to the 5 grades/types used in pressure equipment devices, Godrej admits that the domestic industry manufactures and supplies the said grades/types of products, however, it contends that the technical specifications of the products supplied by the domestic industry do not meet the users' requirements. Godrej argues that on account of the differences in technical specifications, the 8 grades/types are not "like" articles to the domestically produced articles.

151. The Authority notes that unlike the anti-dumping agreement where the scope of the PUC is limited to "like articles", the legal standard for the scope of the PUC under the safeguard law includes "directly competitive" articles.

152. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each these 8 grades with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user (such as Godrej) on a standalone basis. Furthermore, the quality concerns are also not a valid ground for seeking exclusion of a product.

153. The domestic industry has provided various invoices covering pre-painted galvanized steel and galvanized steel, which are used in home appliances. Additionally, the invoices provided by the applicant indicate sales of such products to consumer electronic companies such as [\*\*\*], etc. Therefore, no grounds exist for the exclusion of the 8 grades/types identified by Godrej from the scope of the PUC. Godrej has also requested that the Authority clarify that the exemption of "*Coated-Electro Galvanized Steel*" covers "*All types of EGI including laminated vinyl-coated*". The Authority understands that Metallic Coated Electro-galvanized Steel would be covered within the exclusion in the notice of initiation, namely, "*Coated – electro galvanized steel*". However, in view of insufficient details, the Authority is unable to accept the exclusion request filed by Godrej with respect to laminated vinyl coated electrogalvanized steel.

**q) Panasonic Life Solutions India Pvt. Ltd.**

154. Panasonic has requested for the exclusion of Pre-coated Vinyl coated sheets which are used in refrigerator doors. The Authority has already considered and evaluated similar exclusion requests of LG and Godrej & Boyce above. The Authority thus is not re-examining the same exclusion request made by Panasonic.

**r) SSAB Swedish Steel India Pvt. Ltd.**

155. SSAB has requested for the exclusion of 51 proprietary grades/types of steel having application in transportation, mining, cement, construction equipment. SSAB states that the proprietary grades/types imported by them "outperform" the equivalent grade produced by the domestic industry and "offers additional value".

156. At the outset, the Authority notes that the 51 grades/types for which SSAB has sought exclusion are proprietary name of a grade/type produced by a company. Proprietary names are company specific and cannot be used by other producers. The Authority notes that company-specific product exclusions cannot be granted. Additionally, SSAB does not dispute that the domestic industry produces equivalent grades of steel.

157. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures. The Authority notes that the domestic industry has filed various invoices covering a wide range of High Strength, High Carbon Steel and Heavy Plates, which is directly competitive with the 51 grades/types for which SSAB has sought exclusion. Therefore, the Authority, is unable to accept the exclusion requests of SSAB.

**s) Ashok Leyland Defence Systems Ltd.**

158. Ashok Leyland Defence has requested for exclusion of 26 grades/types. The Authority notes that each of these 26 grades/types of products are covered in the exclusion request filed by SSAB, which the Authority has examined above. The Authority therefore sees no reason to re-examine such exclusion requests.

**t) Tay Nam Steel manufacturing and Trading Co., Ltd.**

159. The interested party has requested for the exclusion of GI, GL, PPGI, PPGL. The interested party has provided no further information regarding the precise grades/types of products for which it seeks exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The domestic industry has filed various invoices covering colour coated and metallic coated, GI, GL and PPGI steel. Therefore, the Authority is unable to accept the exclusion request filed by Tay Nam Steel.

**u) Kobe Steel Limited**

160. The interested party has requested for the exclusion of 8 grades of Cold Rolled Coils. Kobe Steel Limited relies on past anti-dumping investigations of the Authority to argue that specific grades that are not manufactured by the domestic industry must be excluded from the scope of the PUC. As stated above, unlike the anti-dumping agreement where the scope of the PUC is limited to "like articles", the legal standard for the scope of the PUC under the safeguard law includes "directly competitive" articles. Therefore, the reliance placed by Kobe on past anti-dumping determinations is not tenable.

161. The domestic industry submitted that Kobe Steel has merely provided the names of the grades for which it has sought exclusion. The domestic industry further submitted that Kobe Steel has made assertions that the grades are not manufactured by the domestic industry and that there are no client approvals due to insufficient quality. The domestic industry submitted that the burden of proof lies with Kobe Steel to demonstrate the said claims with respect to each of the grades for which Kobe Steel has sought exclusion.

162. The Authority notes that there is no requirement under the law for the Authority to

examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The applicant has submitted various sales invoices of steel with diverse tensile strength. Therefore, the Authority is unable to accept the exclusion requests filed by these interested parties pertaining to grades used in automotive application.

**v) Metal One Corporation India Pvt. Ltd. and Metal One Corporation**

163. The interested parties have requested for the exclusion of 12 grades/types of steel. The interested parties submit that the domestic industry does not product the 12 grades/types of steel or like articles. As stated above, the Authority has accepted the exclusion of Aluminium Coated Steel, Aluminium Silicon Coated, Hot Dipped Aluminised Silicon Coated Steel, Nickel Coated Steel, Copper Plated Steel, Titanium Clad Plates, Bimetals, etc. from the scope of the PUC. The grades of steel identified by Metal One Corporation that fall under these categories are consequently excluded from the scope of the PUC. Metal One has further requested that the authority replace the word “include” in the definition of the PUC with the word “namely” to clearly indicate that the PUC only covers the five product categories and not the products that are not being manufactured by the domestic industry. The Authority notes that the coverage of product categories needs to be clear and specific and therefore agrees with the request for change from ‘include’ to ‘namely’.

164. The interested parties have requested for the exclusion of medium to high tensile hot rolled and cold rolled steel coils, hot rolled steel plates, hot rolled steel plates (high tensile), hot rolled abrasion resistant steel plates, ZAM and galvanized steel coils on the grounds that the domestic producers are unable to produce the required specifications, problems with quality and lack of necessary customer approvals. The interested parties further submit that the grades of steel are customized as per the user requirements, which the domestic industry is unable to provide.

165. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that the interested party has not demonstrated that the products supplied by the domestic industry do not have common and overlapping end usage and are not directly competitive.

166. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry’s products thereby ensuring that such products do not attract trade remedy measures.

167. The Authority notes that it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”. With respect to Metal One Corporation’s request for exclusion of steel with certain tensile strength, the applicant has provided various invoices of with steel with diverse tensile strength. The Authority further notes that the domestic industry has also provided invoices demonstrating sales of various grades of hot rolled steel plate, hot rolled steel abrasion resistant steel plates, ZAM (Zinc-Aluminium-Magnesium) and Galvanized Steel Coil. Therefore, the Authority is unable to accept the

claim of Metal One Corporation for the exclusion of cold rolled steel coil, hot rolled steel coil, hot rolled steel plate, hot rolled steel plates (high tensile), hot rolled steel abrasion resistant steel plates, ZAM (Zinc-Aluminium-Magnesium) and Galvannealed Steel Coil. The Authority further notes that the interested party has sought clarification with regard to Ekokote (Tin-Zinc Coated Steel). However, the interested party has neither provided technical specification of the product nor the end usage, in the absence of such information the Authority is unable to determine whether such product is like or directly competitive with the domestically produced product therefore the Authority is unable to confirm whether Ekokote falls outside the scope of the PUC. Metal One Corporation has also requested that the Authority remove the word “coated” from the exemption to “*Coated-Electro Galvanized Steel*”. The Authority understands that Metallic Coated Electro Galvanized Steel would be covered within the exclusion in the notice of initiation, namely, “*Coated – electro galvanized steel*”. However, the Authority is unable to accept the exclusion request filed by Metal One Corporation in this regard.

168. The Authority notes that the following 6 out of the 12 grades of steel for which Metal One Corporation has sought exclusion are covered by the exclusions accepted by the domestic industry. The following grades are excluded from the scope of the investigation

Aluminium Coated Steel Coil (USIBOR1500+AS (R1500+AS150)

Copper Plated Strip Coil (MSK-C-DB)

Electro Nickel Coated Steel Coil (Ni-Top);

Welcote Coil (One Side Zn-Ni Electrical Coated Alloy Steel with Special Treatment) Wzlen

Ekokote (Tin-Zinc Coated Steel) TZSE-30/30 TZSC-30/30

Zinklite (Electro Zn-Ni Coated Steel) JNC270DN

**w) Shivalik Bimetals Controls Limited**

169. The Shivalik Bimetals has requested for the exclusion of 10 grades/types. Shivalik Bimetals claims that the domestic industry does not manufacture these 10 grades/types and that the equivalent grades produced by the domestic industry “are of inferior quality and less-cost effective”. Shivalik Bimetals has further requested that the authority replace the word “include” in the definition of the PUC with the word “namely” to clearly indicate that the PUC only covers the five product categories and not the products that are not being manufactured by the domestic industry. The Authority notes that the coverage of product categories needs to be clear and specific and therefore agrees with the request for change from ‘include’ to ‘namely’.

170. The domestic industry submitted that Shivalik bimetals has not provided any evidence to provide that the like or directly competitive article is not manufactured in India.

171. The Authority notes that Shivalik Bimetals’ in its submissions has admitted that the domestic industry is engaged in manufacturing equivalent grades, albeit of lower quality and differing in certain physical and chemical properties. It is further relevant to note that the interested party has contended that the manufacturers who have the capability to manufacture cannot produce it economically due to low volumes. The Authority notes that, the claim by the interested party that the domestic industry cannot produce the grades for which exclusion has been sought economically at low volumes suggests customer preference for imports due to their cheap prices and loss of potential sales by the domestic industry. As stated above there is

no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. The domestic industry has produced various invoices covering special alloys. Therefore, the Authority is unable to accept the submissions of Shivalik.

**x) Manaksia Steels Limited**

172. Manaksia Steels has requested for the exclusion Hot Rolled Steel Coils in widths of 1250 mm and below thicknesses of 2 mm. Manaksia claims that the domestic industry does not manufacture coils with thickness less than 2mm and width below 1250 mm. However, Manaksia has admitted while the domestic industry does have the capacity to manufacture coils with thicknesses below 2mm and width below 1250 mm, it does not do so due to favouring economies of scale. Manaksia has further requested that the authority replace the word “include” in the definition of the PUC with the word “namely” to clearly indicate that the PUC only covers the five product categories and not the products that are not being manufactured by the domestic industry. The Authority notes that the coverage of product categories needs to be clear and specific and therefore agrees with the request for change from ‘include’ to ‘namely’. Where specific claims have been made that the domestic industry does not manufacture particular grades/types of steel, the Authority has evaluated such claims based on the legal standard applicable to safeguard investigations.

173. The domestic industry submitted that Manaksia has not provided any evidence to provide that the like or directly competitive article is not manufactured in India.

174. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. Furthermore, it is by Makasia’s own admission that while the domestic industry has the capability as well as capacity to manufacture and supply steel with thicknesses below 2mm and width below 1250 mm it does not do so out of commercial considerations. Therefore, the possibility of lack of sales due to the domestic industry not being able to fetch a reasonable price for the equivalent grade as a consequence of surge of imports and serious injury on account of it cannot be ruled out.

175. The domestic industry has produced a wide variety of invoices covering different thicknesses and widths of HR steel. Therefore, the Authority is unable to accept the exclusion of steel with thicknesses below 2mm and width below 1250 mm at this stage.

**y) Tata Motors**

176. Tata Motors has requested for the exclusion of 6 grades/types of steel. Tata Motors submits that the grades are not manufactured in India, the domestic industry is unable to consistently supply sufficient quantities of the grades and the grades imported from Japan are of superior quality.

177. Among these grades, as stated earlier, the request for exclusion of Aluminium Coated Steel, Aluminium Silicon Coated and Hot Dipped Aluminised Silicon Coated Steel has been accepted. The grades of steel that fall under this category are consequently excluded from the scope of the PUC. The Authority further notes that stainless steel has already been excluded from the scope of the PUC in terms of paragraph 4 of the initiation notification.

178. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority further notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval (where suppliers are designated by project owners) is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.

179. With respect to the remaining product types/grades having automotive application, the Authority notes that Tata Motors has not provided the corresponding Indian Standard for the grades for which it seeks exclusion. The applicant has provided several invoices covering a wide range of HR, CR and Metallic Coated sold to automotive companies such as [\*\*\*], etc., which demonstrates that the domestic industry has supplied articles that have common and overlapping usage with the products for which Tata Motors has sought an exclusion. These products are therefore directly competitive. Therefore, the Authority is unable to accept the exclusion requests filed by Tata Motors. The Authority notes that the following 3 out of the 6 grades of steel for which Tata Motors has sought exclusion fall under the exclusions accepted by the domestic industry. The following grades are excluded from the scope of the investigation

Hot Dip Alu Si coated steel - Fuel Tank

Hot Dip AluSi USIBOR Steel – BNCAP CRASH

Stainless Steel – Exhaust etc

**z) ACMA, NRB Bearing, Sharda Motors Industries Limited, National Engineering Industries Ltd, AISIN Automobiles**

180. The interested parties have requested exclusion for 35 grades/types having usage in Automotive industry citing quality issues and capacity constraints. For some grades, interested parties have not provided relevant Indian standard. The Authority further notes that exclusion request for certain grades of rubber coated steel identified by these interested parties has been accepted as stated earlier.

181. The Authority notes that this interested party has conceded that they procure some of the grades from domestic producers. It has however been claimed that, claim that the quality and quantity of the grades produced by the domestic producers is not up to the requirement. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Similarly, there is no requirement under the law that the domestic industry must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

182. The Authority notes that the applicant has provided several invoices covering a wide range of HR, CR and Metallic Coated sold to automotive companies such as [\*\*\*], etc, which demonstrates that the domestic industry has supplied articles that have common and overlapping usage with the products for which interested parties have sought an exclusion. These products are therefore directly competitive. Therefore, the Authority is unable to accept the exclusion requests filed by interested parties.

183. The Authority notes that the following 3 out of 35 grades of steel for which the interested parties have sought exclusion fall under the exclusions accepted by the domestic industry. The following grades are excluded from the scope of the investigation.

EMS200 CRUTONITE

EMS215 Inconel

SWRH72A – Brass Coated Steel Wire

**aa) Maruti Suzuki India Ltd.**

184. Maruti Suzuki has requested for the exclusion of 22 grades/types of steel. Maruti contends that the grades should be excluded since (a) they are not manufactured in India (11); (b) the domestic industry lack sufficient capacity to meet the requirements of the downstream industry (6) and the grades are only recently being developed in India (5).

185. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

186. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval (where suppliers are designated by project owners) is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures. The Authority further notes that the domestic industry has provided various invoices demonstrating the sales steel to Maruti Suzuki.

187. The applicant has provided several invoices covering a wide range of HR, CR and Metallic Coated sold to automotive companies such as [\*\*\*], etc., which demonstrates that the domestic industry has supplied articles that have common and overlapping usage with the products for which Maruti Suzuki has sought an exclusion. These products are therefore directly competitive. Therefore, the Authority is unable to accept the exclusion requests.

**bb) Jay Bharat Maruti Limited**

188. Jay Bharat Maruti Limited ("JBM") has sought for the exclusion of 6 grades/types of steel from the scope of the PUC. JBM states that the said grades are not produced in India. Exclusion of 4 out of the 6 grades for which JBM has sought exclusion, which fall under the category of Aluminium Coated Steel and Nickel Coated Steel has already been accepted.

189. With respect to the two other grades, the domestic industry has provided several invoices covering HRPO Coils that are directly competitive with the grades for which JBM has sought exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. Given that the domestic industry has produced invoices covering various grades of HRPO Coils that have common and overlapping usage with the grades for which the JBM has sought exclusion,



the Authority, is unable to accept the exclusion requests filed by JBM.

190. The Authority notes that the following 4 out of 6 grades for which the Jay Bharati Maruti has sought exclusion fall under the exclusions accepted by the domestic industry. The following grades are excluded from the scope of the investigation

Aluminium Coated Steel Coils for Exhaust System (SA1D40/40)

Aluminium Coated Steel Coils for Exhaust System (SA1E30/30)

Nickel Plated Steel Coils Breather Tube (SPCC)

Nickel Plated Steel Coils Breather Tube (SPCC)

**cc) Katsushiro Matex India Pvt. Ltd.**

191. Katsushiro has requested for the exclusion of 4 grades/types of steel supplied by JFE Corporation on the grounds that the needed sizes are not available locally, the local suppliers cannot meet the technical specifications and the minimum order quantity of the domestic producers are higher than the foreign suppliers'.

192. The Authority notes that Katsushiro has sought exclusion for the 4 grades/types of steel supplied by JFE Corporation. Since the Authority has already addressed the exclusion request of JFE Corporation above, there is no necessity to re-examine such exclusion requests.

**dd) CSCI Corporation India Pvt. Ltd.**

193. CSCI has requested for the exclusion of Cold Rolled Full Hardened Electrical Strips conforming to IS 18316 of 2023, which falls under the definition of Silicon Electrical Steel Strips from the scope of the PUC.

194. The domestic industry submitted that CR Grain oriented Electrical steel and CR non-oriented Electrical steel already stand excluded from the product scope. The domestic industry produces HR required for making electrical steel. Therefore, the domestic industry stated that it does not agree to the exclusion of HR meant for producing electrical steel.

195. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The domestic industry has provided various invoices covering sales of Cold Rolled Full Hardened Steel.

**ee) CU Built Engineers Pvt. Ltd., Vestas Wind Technology India Pvt. Ltd. and Senvion Wind Technology Private Limited**

196. The interested parties have requested for exclusion of steel plates for wind turbines and prime steel for wind turbine towers. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that the applicant has provided various invoices demonstrating sale of Hot Rolled Plates, for a wide variety of application, including wind turbines. Therefore, the

Authority is unable to accept the exclusion request filed by these interested parties.

**ff) Aktien-Gesellschaft der Dillinger Hüttenwerke from Germany**

197. Dillinger has requested exclusion for 76 grades of Hot Rolled Plate Mill Plates that fall under nine subcategories, namely, High-strength line pipe plate, Sour service pressure vessel plate, High-strength low alloy pressure vessel plate, High-strength thermomechanically-rolled pressure vessel plate, Pressure vessel plate for high temperature application, Pressure vessel plate for low temperature application (cryogenic), Abrasion-resistant steel plate, High-strength fine grained structural steel plate, Offshore fine-grained structural steel plate, Line pipe plate. Dillinger submits that the plates for which they seek exclusion are used to manufacture line pipe for the production of oil and gas pipelines, high-strength fine-grained structural steel, in the construction of demanding structures such as bridges, in the manufacture of heavy machinery such as earth-moving and mining equipment and pressure vessel steel, in the manufacture of equipment for oil and gas, chemical or pharmaceutical industries, such as reactors, heat exchangers, boilers or pressurized tanks, often sour-gas resistant' from the scope of investigation.

198. Dillinger submits that the domestic industry does not produce the specific grades of steel for which they have sought exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The domestic industry has provided various invoices covering Hot Rolled Plate Mill Plates and API Certified Steel that are used in varied applications such as construction, heavy machinery, pressure vessels, etc., which are directly competitive with the 76 grades/types for which Dillinger has sought exclusion. Therefore, the Authority is unable to accept the exclusion requests filed by Aktien-Gesellschaft der Dillinger Hüttenwerke.

**gg) Isgec Hitachi Zosen Ltd.**

199. Interested Party has requested exclusion for 9 grades of Alloy and Non-alloy Steel Plates and Clad plate covering various grades on the grounds that the grade is not manufactured in India and the Indian producers are unable to meet the specifications laid out by Engineering companies and overseas licensors.

200. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority further notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of approval from overseas licensors or engineering companies is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned person would have the ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.

201. The domestic industry has provided various invoices covering a wide range of Hot Rolled Plates that was sold to engineering companies such as [\*\*\*], etc. Therefore, the Authority, is unable to accept the exclusion request filed by Isgec Hitachi.

**hh) Ashok Leyland Limited**

202. The interested party has requested for exclusion of 4 grades/types falling under the category of Aluminium-Silicon Coated, wear resistant steel and Cold Rolled Galva annealed steel on the grounds that these grades are not produced in India or the domestic industry does not have the capacity to meet the demand in India.

203. As stated earlier the exclusion of aluminium-silica coated steel from the scope of the PUC has been accepted. For the remaining grades, the Authority is of the view that there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that the domestic industry has provided various invoices covering wear-resistant steel and galvannealed steel sold to several parties, including Ashok Leyland, that have common and overlapping end usage with the grades for which Ashok Leyland has sought exclusion. Therefore, the Authority is unable to accept the exclusion request of the interested party.

**ii) Daimler India Commercial Vehicles Private limited**

204. Interested party has requested exclusion for Aluminized steel or Aluminium coated steel. This has been accepted as mentioned in earlier paragraphs.

**jj) Exedy India limited**

205. The interested party has requested exclusion of C70-High Carbon Cold Rolled Steel and SCM435-High Carbon Cold Rolled Steel having usage in Automotive sector due to technology not being available with domestic producers.

206. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that the domestic industry has provided invoices for the sales of articles that are directly competitive with the C70 and SCM435 grades for which Exedy has sought exclusion. It may be stated that the domestic industry supplies products that have overlapping usage with the products imported for automotive application. Therefore, the Authority is unable to accept the exclusion request of the interested party.

**kk) KG Dongbu Steel, AVIZA Technologies, JR and Company, Maxglobal Techno systems, NEWCORE GLOBAL PVT LTD, Prestomac Finishers, TAIIN Steel Fab and Infra Pvt Ltd and M&B Engineering**

207. Interested parties have requested exclusion of 2 grades/types of pre painted and 3 grades/types galvanized steel that are covered under the standards IS 15965, IS 14246, IS 15961 and IS 513, on the ground that the domestic industry lacks capacity to supply the grades in sufficient quantities.

208. The Authority notes that there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that these interested parties have conceded that the domestic producer are able to produce the 5 grades/types of steel for which they have sought exclusion. The concern of the interested party is that the domestic producers are not able to supply

sufficient quantities of the grades/types. The Authority notes that there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority determines that it would be sufficient to examine if the Domestic Industry is producing “like or directly competitive articles”.

209. The domestic industry has provided various invoices of steel covered under IS 513 and IS 15961. Additionally, the domestic industry has provided various invoices demonstrating sales of pre-painted galvanized sheets and galvanized sheets that fall under IS 15965 and IS 14246, that are either like or directly competitive articles to the 5 grades/types identified by the interested parties. Therefore, the Authority is unable to accept the exclusion requests filed by KG Dongbu Steel.

## **II) Dongkuk CM, Korea and Dongkuk Steel India Pvt Ltd**

210. The interested parties have sought clarification whether exclusion of ‘Coated - Electro Galvanised steel’ also extends to both ‘metallic coated electro-galvanised steel’ and ‘colour coated electro-galvanised steel’.

211. The Authority understands that Metallic Coated Electrogalvanized Steel would be covered within the exclusion in the notice of initiation, namely, “*Coated – electro galvanized steel*”. The Authority also understands the colour coated electro galvanized steel is nothing but colour coated steel. Accordingly, the Authority is unable to accept the exclusion request filed by Dongkuk with respect to colour coated electrogalvanized steel.

## **mm) Metal and Stainless-Steel Merchants Association**

212. The interested party has requested exclusion of Copper-plated steel, Cobalt-plated steel, Silver-plated steel, Armor-wear-resistant steel, Die steel, Aluminized Steel, Nickel-plated steel, Plastic mould steel and power tool steel. The Authority notes that the following 7 grades of steel for which the interested party has sought exclusion fall under the exclusions accepted by the domestic industry. The following grades are excluded from the scope of the investigation.

Copper-plated Steel

Cobalt-Plated Steel

Silver-Plated Steel

Die Steel

Aluminized Steel

Nickel Plated Steel

Plastic mould steel & amp, power tool steel

213. As stated above, the exclusion of copper plated, cobalt plated, silver plated, aluminium coated and nickel coated steel from the scope of the PUC has been agreed. With respect to the remaining grades/types, the interested party has not specified the precise grade or the end use of the grade of steel for which it has sought exclusion. The interested party has also not provided the grounds for which it seeks exclusion of the said grades. The Authority is unable to consider such an unsubstantiated request.

**nn) NLMK Clabecq and NLMK India Service Center Private Limited**

214. The interested parties have sought exclusion of proprietary grades of high-yield and abrasion-resistant steel plates imported from Italy on the grounds that the plates are priced higher than the plates supplied by the domestic industry.

215. The Authority notes that the grades/types for which the interested parties have sought exclusion are proprietary name of a grade/type produced by a company. Proprietary names are company specific and cannot be used by other producers. The Authority notes that company-specific product exclusions cannot be granted. Additionally, the interested parties have neither provided the corresponding Indian Standard, nor the specific usage based on which the Authority can evaluate the exclusion request.

216. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

217. The domestic industry has produced various invoices covering abrasion-resistant and high-yield plate mill plates, that are directly competitive with the grades for which NLMK has sought exclusion. Therefore, no grounds exist to consider NLMK's exclusion request.

**oo) Stitch Overseas Private Limited**

218. Stitch has requested exclusion for Galvalume Sheets/Coil of Standard specification - ASTM A 792 DS/DQ | YS250 | IS 15961:2012 citing concerns related to customer approval and quality. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Additionally, the lack of customer approval is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny approval of the domestic industry's products thereby ensuring that such products do not attract trade remedy measures.

219. The domestic industry has provided several invoices of sales of Galvalume sheets under IS 15961. Therefore, the Authority is unable to accept the exclusion request filed by Stitch Overseas.

**pp) Hella India Automotive Pvt Limited**

220. The interested party has requested exclusion of 'Metallic Coated Steel coils and sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium Magnesium' having usage in HORN products in Automotive sector. The party requests this exclusion as domestic industry faces technical constraints in achieving the required properties.

221. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. The Authority determines that it would be sufficient to examine if

the Domestic Industry is producing “like or directly competitive articles”.

222. The Authority notes that domestic industry has provided several invoices for sales of Zinc-Aluminum-Magnesium Coated that have common and overlapping usage with the products for which interested party has sought an exclusion. These products are therefore directly competitive. Therefore, the Authority is unable to accept the exclusion requests filed by Hella India Automotive Pvt Limited.

**qq) Polyhose Sato-Shoji Metal Works Private Limited**

223. The interested party has requested exclusion of Wear Resistant Steel being imported from JFE Steel Corporation, Japan citing quality, supply and customer certification concerns. Given that the Authority has already evaluated the exclusion request of JFE above, there is no necessity to re-examine the same request filed by Polyhose Sato.

**rr) NTECK Automotive Pvt Ltd**

224. NTECK Automotive Pvt Ltd has requested exclusion for S35C grade with sheet thickness 5.90 mm and 6.00 mm, without providing any reasons for its request. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The applicant has provided invoices demonstrating sales of articles that are directly competitive with the S35C grade for which NTECK has sought exclusion. Therefore, the Authority, is unable to accept the exclusion request filed by NTECK.

**ss) Toyota Boshoku Device India Private Limited**

225. Interested party requested exclusion of 3 grade/types of high tensile steel stating that the domestic producers are unable to produce steel with the specific tolerances. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. The domestic industry has provided multiple invoices demonstrating sales of coils with varying tensile strength. Therefore, the Authority is unable to accept the exclusion requests filed by Toyota pertaining to grades used in automotive application.

**tt) Riddhi Siddhi Special Steel Pvt Ltd.**

226. The interested party has requested exclusion for tool and die steel covered under IS 3748, which is used in sectors like die manufacturing, aerospace, engineering, automotive, defence etc. on ground of limited production and supply capability of Indian producers.

227. The interested party has not precisely identified the precise grades for which it seeks exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The domestic industry has provided several invoices covering wear-resistant steel that have overlapping applications with the steel for which Riddhi Siddhi has sought an exclusion. Therefore, the Authority is unable to accept the exclusion requests filed by Riddhi Siddhi Special Steel Pvt

Ltd.

**uu) Sansera Engineering Private Limited**

228. The interested party has requested 8 grades/types of PUC citing unavailability of proprietary grade in India and customer mandated source having usage in specialized forging and machining components. The Authority notes that the grades for which Sansera has sought exclusion falls under the HS 7228, which is already out of the scope of the investigation. Therefore, there is no requirement to consider Sansera's exclusion request.

**vv) Schaffler India Limited**

229. The interested party has requested exclusion of 4 grades/types of PUC having usage in Automotive industry citing quality and supply concerns. The Authority notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

230. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

231. The Authority notes that the domestic industry has provided several invoices demonstrating the supply of grades that have overlapping application with the 4 grades/types for which Schaeffler has sought an exclusion. Additionally, the domestic industry has provided several invoices pertaining sales to automotive sector. It may be stated that the domestic industry supplies products that have overlapping usage with the products imported for automotive application. Therefore, the Authority is unable to accept the exclusion request of the interested party.

**ww) Tarun International Limited**

232. The interested party has requested exclusion for 7 grades/types of High Carbon Hot Rolled Coils citing quality and supply concerns. The Authority is of the view that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

233. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis.

234. The Authority notes that the domestic industry has provided several invoices pertaining to sales to different sectors. It may be stated that the domestic industry supplies products that have overlapping usage with the grades for which exclusion has been sought. Therefore, the Authority is unable to accept the exclusion request of the interested party.

**xx) TT Steel Services India Pvt. Ltd.**

235. TT Steel Services India Pvt. Ltd. requested for the exclusion of "Cold Rolled high

tensile steel, Hot Rolled high tensile & Hot Dip Galvanised Steel”. TT Steel has not provided the precise specification of the product for which it seeks exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority notes that specific product characteristics are customer driven and articles of varying tensile strength are directly competitive with each other. The applicant has produced various invoices of steel with diverse tensile strength. Further, the domestic industry has provided several invoices for galvanised steel. Therefore, the Authority is unable to accept the exclusion requests filed by HSC pertaining to grades used in automotive application.

**yy) TATA Steel Downstream Products Ltd**

236. TATA Steel Downstream Products Ltd. requested exclusion for Hot Rolled Steel Plates (heat treated abrasion resistant steel plates) of grades 1E1839 and 1E4187. The Authority notes that interested party did not provide any specific grade, product identification, technical specifications or ground from exclusion. Therefore, the Authority is unable to evaluate the exclusion request of Tata Steel Downstream Products Ltd.

**zz) Tube Investments of India Ltd (TII).**

237. Tube Investments of India Ltd. has requested exclusion for 146+/- 0.5 mm X 9 +/- 0.35 mm thickness steel sheets of grade JSH590RN-P. The Authority notes that interested party has not provided any technical specifications or grounds for exclusion. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The domestic industry has provided invoices demonstrating of sales to Tubes Investment India Ltd. Therefore, the Authority is unable to accept the exclusion request filed by TII.

**aaa) Velmurugan Heavy Engg. Inds. Pvt. Ltd.**

238. Velmurugan Heavy Engg. Inds. Pvt. Ltd. has requested exclusion for HR Plate Steel (S355J2, NL, Z25, etc.). The Authority notes that interested party has not provided any technical specifications or grounds for exclusion. The Authority has examined the invoices provided by the domestic industry on a sample basis and is satisfied that the domestic industry has supplied products that are like or directly competitive with the said grades.

239. Interested party have also made requests for exclusion of products from the scope of the PUC citing reasons of lack of quality in the domestically produced goods and the lack of customer certification. The Authority notes that there is no requirement under the law for the Authority to examine or the applicant to prove that it manufactures each grade with identical specifications. Similarly, there is no requirement under the law that the applicant must be able to fulfil the entire demand for the country and each individual user on a standalone basis. The Authority further notes that differences in quality of the products cannot be a ground for exclusion of a product from the scope of the PUC. Furthermore, the lack of customer certification is also not a valid ground for seeking exclusion of a product from the scope of the PUC since this is susceptible to misuse as the concerned customer would have the ability to deny certification of the domestic industry’s products thereby ensuring that such products do



not attract trade remedy measures. The domestic industry has produced several invoices covering a wide range of HR Plates that are directly competitive with the grades for which Velmurugan has sought exclusion. Therefore, the Authority, is unable to accept the exclusion request filed by Velmurugan.

#### **bbb) All India Metal**

240. All India metal has requested for the exclusion of Aluminium Coated and Aluminium Silicon coated steel. The Authority notes that the following 2 grades of steel for which All India Metal has sought exclusion fall under the exclusions accepted by the domestic industry. The following grades are excluded from the scope of the investigation

Hot Dipped Aluminized Steel under HSN 72106900 (89%-95% Aluminium, 5%-11% Silicon)

Nickel plated steel & copper plated steel under HS Code 72269990, 72125090, 72109090 used in Electronic and EV battery

#### **ccc) Mahindra Defence Systems Limited**

241. Mahindra Defence has sought exclusion of grades of steel supplied by SSAB. Since the Authority has evaluated the exclusion request filed by SSAB above, there is no necessity to re-examine the same request filed by Mahindra Defence Systems.

#### **ddd) Uno Minda Limited**

242. Uno Minda has requested for the exclusion of two specific grades of coated steel for automotive horn application, which have a coating of chromium, molybdenum, nickel, aluminium, titanium, niobium. The Authority has accepted the exclusion of nickel, certain grades of aluminium and titanium coated steel. The grades for which Uno Minda claims exclusion which fall under these categories are consequently excluded.

#### **Conclusion**

243. In view of the above observations, the Authority determines the scope of the PUC is as follows:

*The product under consideration for the present investigation is “Non-Alloy and Alloy Steel Flat Products”, (“PUC”), namely (a) Hot Rolled (“HR”) coils, sheets and plates, (b) HR Plate Mill Plates (“PMP”), (c) Cold Rolled (“CR”) coils and sheets, (d) Metallic Coated Steel coils and sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium (“Coated”), and (e) Colour Coated coils and sheets, whether or not profiled (“CC”). The PUC is classifiable under Chapter 72 of the Customs Tariff Act, 1975, under tariff heading 7208, 7209, 7210, 7211, 7212, 7225 and 7226. The tariff headings are indicative only and not binding on the scope of the product under consideration.*

*The following products are excluded from the scope of the PUC:*

- a) Cold Rolled Grain Oriented Electrical Steel (CRGO)*
- b) Cold Rolled Non-Oriented Electrical Steel (CRNO) coils and sheets*

- c) *Coated - Electro Galvanized Steel*
- d) *Tinplate*
- e) *Stainless steel*
- f) *Nickel Coated / Nickel Plated Cold Rolled Steel;*
- g) *Rubber Coated Steel;*
- h) *Electro Galvanised (EG) – Zinc Nickel Coated Steel;*
- i) *Bi-Metal Steel / Bi-Metal Sandwich Steel;*
- j) *Brass Coated Steel Wire (wire is part of long steel products, which are not even covered in the notice of initiation);*
- k) *CRUTONITE;*
- l) *INCONEL;*
- m) *Stainless Steel Items (which are not even covered in the notice of initiation);*
- n) *Aluminium Coated Steel;*
- o) *Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel;*
- p) *Hot Rolled Clad Steel Plate;*
- q) *Nickel Plated Steel / Nickel Plated Strip;*
- r) *Copper Plated Steel;*
- s) *Laminated Electro Galvanized (EGI);*
- t) *Cobalt Plated Steel;*
- u) *Silver Plated Steel;*
- v) *Titanium Clad Plates;*

244. The Authority notes that the interested parties have filed exclusion requests covering various proprietary grades of steel. As noted in the relevant portions of the Authority's examination above, the exclusion requests pertaining to proprietary grades are unacceptable as they pertain to a specific company. Therefore, imports of proprietary grades that fall under the abovementioned 22 grades would consequently be exempt from the application of the safeguard duties.

245. Certain interested parties submitted that the domestic industry had agreed for the exclusion of 50 line items, whereas the Preliminary Findings issued by the Authority excludes only 22 grades. The Authority notes that there were several repetitions within the 50 line entries for which the domestic industry has agreed for exclusion.

246. There are no known differences between the imported goods and the goods produced by the applicant companies. The imported goods and the goods produced by the applicant companies are comparable in terms of physical characteristics, manufacturing process, functions and uses, product specifications, distribution and marketing, and tariff classifications. The goods produced by the domestic industry are also technically and commercially substitutable with the imported products. The Authority holds that the products manufactured by the applicant companies and the imported products are "like or directly competitive articles".

## E. DOMESTIC INDUSTRY AND STANDING

247. Clause (b) of sub-section (11) of Section 8B of the Customs Tariff Act, 1975 defines Domestic Industry (hereinafter also referred to as the "DI"), as follows:

*“(b) “Domestic industry” means the producers -*

- i. as a whole of the like article or a directly competitive article in India; or*
- ii. whose collective output of the like article or a directly competitive article in India constitutes a major share of the total production of the said article in India.”*

248. The petition has been filed by ISA on behalf of seven domestic producers, namely a) AMNS Khopoli Limited; b) ArcelorMittal Nippon Steel India Limited; c) Jindal Steel and Power Limited; d) JSW Steel Coated Products Limited; e) JSW Steel Limited; f) Bhushan Steel & Power Limited; and g) Steel Authority of India Limited. In addition, there are several other producers in India producing all the five categories of the PUC or one or more of the five categories of the PUC. Petitioners presented the Annual Statistics published by the Joint Plant Committee (JPC) of the Ministry of Steel, Government of India for information relating to (a) total number of units in India with State-wise break-down that are involved in the production of various categories of PUC, (b) total annual production and (c) total demand in India. The Authority observes that the JPC data does not provide data for HR Coils and sheets, and HR Plate Mill Plates separately. It provides information for four groups namely (a) HR Flat products that include both HR Coils and Sheets, and HR Plate Mill Plates, (b) CR Coils and Sheets, (c) Metallic Coated Steel, and (d) Colour Coated Steel. Therefore, information has been grouped into four categories for determining the standing of the domestic industry, and for considering total demand and market share.

249. Based on the JPC Annual Statistics, the seven petitioner companies collectively account for [\*\*\*]% of total production in the case of HR Flat products, [\*\*\*]% in the case of CR Coils and Sheets, [\*\*\*]% in the case of Metallic coated steel, and [\*\*\*]% in the case of Colour coated steel as may be seen from the tables below.

### **Hot Rolled Flat Products**

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI 1 Oct 23 to 30 Sep 24
Production- Domestic Industry	'000 MT	***	***	***	***
	Trend	100	109	117	115
Production- Other Producers	'000 MT	***	***	***	***
	Trend	100	102	113	117
Total Domestic Production (as per JPC AS)	'000 MT	***	***	***	***
	Trend	100	106	116	116
Share of the DI in Total Domestic Production	%	***	***	***	***
	Trend	100	103	102	100

### Hot Rolled Flat Products

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI 1 Oct 23 to 30 Sep 24
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### CR coils and sheets

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI 1 Oct 23 to 30 Sep 24
Production- Domestic Industry	'000 MT	***	***	***	***
	Trend	100	104	111	114
Production- Other Producers	'000 MT	***	***	***	***
	Trend	100	87	106	103
Total Domestic Production (as per JPC AS)	'000 MT	***	***	***	***
	Trend	100	95	109	109
Share of the DI in Total Domestic Production	%	***	***	***	***
	Trend	100	110	102	106

### Metallic Coated Steel

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI 1 Oct 23 to 30 Sep 24
Production- Domestic Industry	'000 MT	***	***	***	***
	Trend	100	105	116	119
Production- Other Producers	'000 MT	***	***	***	***
	Trend	100	101	128	119
Total Domestic Production (as per JPC AS)	'000 MT	***	***	***	***
	Trend	100	104	119	119
Share of the DI in Total Domestic Production	%	***	***	***	***
	Trend	100	101	97	100

### Colour Coated Steel

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI 1 Oct 23 to 30 Sep 24
Production- Domestic Industry	'000 MT	***	***	***	***
	Trend	100	108	117	113
Production- Other Producers	'000 MT	***	***	***	***
	Trend	100	92	133	148
Total Domestic Production (as per JPC AS)	'000 MT	***	***	***	***
	Trend	100	105	121	121
Share of the DI in Total Domestic Production	%	***	***	***	***
	Trend	100	103	97	94

### PUC as a whole

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI 1 Oct 23 to 30 Sep 24
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### Hot Rolled Flat Products

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI 1 Oct 23 to 30 Sep 24
Production- Domestic Industry	'000 MT	***	***	***	***
	Trend	100%	93%	86%	87%
Production- Other Producers	'000 MT	***	***	***	***
	Trend	100%	103%	89%	88%
Total Domestic Production (as per JPC AS)	'000 MT	***	***	***	***
	Trend	100%	97%	87%	87%
Share of the DI in Total Domestic Production	%	***	***	***	***
	Trend	100%	95%	98%	98%

250. One of the applicant companies, namely AMNS India Ltd. had imported [\*\*\*] MT of the PUC, constituting [\*\*\*]% of their total production of the PUC during the POI. The Authority notes that the imported volumes have been captively used and that the entity continues to be a major domestic producer of the PUC.

251. Certain interested parties submitted that AMNS India Ltd. and AMNS Khopoli must be excluded from the domestic industry on account of the fact that it has imported the subject goods during the POI. The other interested parties have also highlighted the user industry questionnaire response filed by AMNS, wherein AMNS had requested for the exclusion of 13 grades of steel, citing the domestic industry's alleged inability to manufacture the said grades. The other interested parties also submit that there a conflict of interest since AMNS, which is the domestic industry has sought the exclusion of certain grades of steel that it imports.

252. AMNS India Ltd. and AMNS Khopoli had filed user industry questionnaire responses. Thereafter, AMNS India Ltd. and AMNS Khopoli filed letters indicating their commitment to be a part of the domestic industry. The domestic industry requested the Authority to take note of the said letters filed by AMNS India Ltd. and AMNS Khopoli.

253. The domestic industry further submitted that unlike the Anti-Dumping Rules, Section 8A(11)(b) of the Customs Tariff Act, does not have provisions that stipulate that a producer that imports the subject goods is ineligible to qualify as a constituent of the domestic industry in safeguard investigations. The domestic industry relies on the previous safeguard investigation concerning isopropyl alcohol, where the applicant therein had imported 41% of the total imports of the PUC, which amounted to 76% of its production capacity. In the said investigation, the Authority did not disqualify the applicant as a constituent of the domestic industry.

254. The domestic industry submitted that even under the Anti-Dumping Rules, the High Court has held that an importing applicant may be disqualified as a constituent of the domestic industry only if the nature of its activities has altered to that of a trader. The domestic industry further submitted that in the present investigation, the imports by AMNS and AMNS Khopoli amount to only [6%] of production and [7%] of the domestic sales of these two entities alone. The domestic industry submitted that given the low volume of imports by the two entities in relation to the total production and sales of the PUC in India, the nature of the activities of the two entities remains that of domestic producers of the PUC.

255. The Authority notes that under Section 8(11)(b) of the Customs Tariff Act states as follows:

*(b) “domestic industry” means the producers –*

*i. as a whole of the like article or a directly competitive article in India;*

*or*

*ii. whose collective output of the like article or a directly competitive article in India constitutes a major proportion of the total production of the said article in India.”*

256. The Authority notes that the above provision does not contemplate disqualification of an applicant as being a constituent of the domestic industry if such an applicant has imported the PUC. The Authority further notes that in the safeguard investigation concerning Isopropyl Alcohol, an applicant that had imported large volumes of the PUC was not found to be ineligible to constitute the domestic industry. Further, the Authority notes that the High Court of Calcutta in *Gujarat Fertilizers and Chemicals Ltd.* and the High Court of Guwahati in *Century Plyboard*, observed that the question of whether a domestic producer which has imported the subject goods is disqualified from the scope of ‘domestic industry’ must be examined based on the nature of activities carried out by the domestic producer with respect to the imports made by it. In *Gujarat Fertilizers*, the Calcutta High Court held that the producer therein, which had imported 15% of its total production of the subject goods, qualifies as the domestic industry since such imports were made merely to meet its customers’ demands. The High Court observed that the domestic producer was not carrying on the business of import exclusively for trading purposes, and therefore there was no reason to exclude it from the scope of ‘domestic industry’. In the instant case, in the light of the very low volumes of imports of AMNS and AMNS Khopoli, in relation to its total production and sales of the PUC, the Authority notes that the activities of AMNS and AMNS Khopoli remain that of a domestic producer of the PUC. Therefore, the Authority holds that there are no grounds to disqualify AMNS and AMNS Khopoli as constituents of the domestic industry.

257. Certain interested parties submitted that some of the seven applicant companies do not produce certain categories of the PUC and therefore, not all of the applicant companies account for “major share” of production of each category of the PUC individually. The domestic industry submitted that in terms of sub-clause (ii) of Section 8A(11) of the Act, the Authority is required to examine “collective output” of the applicant companies and not the individual output of each company. Therefore, the fact certain applicant companies individually have not produced certain categories of the PUC is of no relevance, since the Authority must examine the “collective output” of the applicant companies.

258. The Authority notes that Section 8A(11)(b)(ii) of the Act defines domestic industry as “producers ... whose collective output of the like and directly competitive article in India constitutes a major share of the total production of the said article in India”. The reference to “collective output” makes it clear that the production of the applicant companies must be examined as a whole and not on an individual basis. It has been the consistent practice of the Authority, in investigations concerning multiple applicant companies to determine the standing of the applicants in terms of the collective output of all companies and not the production of each individual company.

259. Certain interested parties have submitted that the Authority that Tata Steel Ltd. is not an applicant, however it must be made to file the relevant data for the purpose of injury analysis since it is a major producer of the PUC in India. The domestic industry submitted that it has demonstrated that it accounts for a major share of the total domestic production of the like or directly competitive product. Therefore, the mere fact that Tata Steel Ltd. has not participated in the investigation cannot be a ground to deny the genuine relief sought by other producers that are suffering from serious injury on account of a surge in imports.

260. The Authority notes that nothing in the Act or the Rules provide mandate the participation of all major producers of the PUC. Section 8A(11)(b) defines “domestic industry” as “*producers ... whose collective output of the like and directly competitive article in India constitutes a major share of the total production of the said article in India*”. Further, Rule 5(1) of the Safeguard Rules stipulates that the Authority shall initiate an investigation on receipt of an application “*by or on behalf of the domestic producer of the like or directly competitive article*”. dia.

261. However, neither Section 8A(11)(b), nor Rule 5 of the Safeguard Rules prescribe the share of domestic production that the applicants must account for. In any event, the term ‘major share’ would be satisfied in this case as the applicant companies account for more than 50% of the total domestic production in India, and accordingly, the Authority holds that the application has been made “*by or on behalf of the domestic industry*”.

262. For the PUC as a whole, the seven petitioner companies collectively account for [\*\*\*]% of the total production in India during the POI. Therefore, the applicant companies satisfy the definition of “domestic industry” in terms of Section 8B(11)(b)(ii) of the Act. Further, the petition has been filed by or on behalf of the domestic industry within the meaning of Rule 5(1) of the Safeguard Rules. The mere non-participation of a major producer of the PUC does not alter the standing of the applicant companies.

#### F. CONFIDENTIALITY

263. The domestic industry has provided some information in its application on confidential basis and has requested that it be treated as confidential. The domestic industry has also provided a non-confidential version (NCV) of its application, as required under the Rules. Further, the domestic industry has submitted reasons justifying their claim of confidentiality of this information.

264. Certain interested parties claim that a reasonable summary of the confidential information has not been disclosed in the application. The interested parties submitted that in terms of Trade Notice No. 10/2018, if multiple domestic producers are involved, the non-confidential version of the application must disclose the aggregated data pertaining to the production capacity, production, sales volumes, total number of employees, etc. It was submitted that the non-confidential version of the application fails to disclose the aggregated data for several parameters (such as production, capacity, capacity utilization, sales volume, etc.) as required under Trade Notice No. 10/2018. It was contended that on account of the non-disclosure of key pieces of information, the other interested parties were deprived of their ability to effectively respond to the claims and allegations raised by the domestic industry.

265. The domestic industry submitted that the Trade Notice No. 10/2018 pertains to anti-dumping and countervailing duty investigations and not safeguard investigations. The applicant

further submitted that Trade Notice No. 10/2018 itself provides that the Authority may permit deviation from the guidelines contained therein, on a case to case basis, if the party seeking the same can establish a good cause for the same. The domestic industry further submitted that the application contains production and costing details segregated for each of the five categories of the PUC separately. It was further submitted that certain categories of the PUC are only produced by a few of the constituent parties of the domestic industry, not by all. Consequently, disclosing the actual aggregate data for each product category could inadvertently reveal sensitive information about individual producers, making the data identifiable at the party level. Therefore, the applicant submits that the information was required to be provided in trends. The domestic industry further submitted under Rule 6 of the Safeguard Rules, information presented during the oral hearing shall be taken into account if it is reproduced in writing. The domestic industry submitted that it had circulated the presentation displayed during the oral hearing in its written submissions, therefore, the other interested parties had ample opportunity to rebut the same in their rejoinder.

266. The Authority notes that given that certain product categories are manufactured by only a few applicant companies, disclosure of the actual data for the product categories would result in the disclosure of company specific information. Further, the presentation displayed by the domestic industry during the hearing was circulated to all interested parties in the domestic industry's written submissions. The information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the confidentiality claims have been accepted, wherever warranted and such information has been considered confidential and not disclosed to other interested parties.

#### G. MISCELLANEOUS ISSUES

267. Certain interested parties submitted that the present proceedings suffer from a violation of the principles of natural justice for various reasons. The Authority examines the above arguments raised by the interested parties and the domestic industry's response to each of the allegations below:

##### a. Limited hearing prior to issuance of the preliminary findings.

268. Certain interested parties submitted that the Authority did not conduct a limited public hearing regarding, *inter alia*, the scope of the PUC prior to issuance of the provisional findings. The domestic industry responded to these allegations stating that neither the Act nor the Rules provide for a limited public hearing prior to the issuance of the preliminary findings; it was further contended that the High Court of Madras in the case of M/s Shapoorji Pallonji Infrastructure Capital Co. Ltd. v. Union of India W.P. No. 1156 of 2018, has held that there is no requirement for holding a limited public hearing prior to the issuance of the preliminary findings. It was further contended that interested parties were provided an ample opportunity to present their views on the preliminary findings as comments, as well as during the hearing and in the written submissions and rejoinder. The domestic industry further reiterated that the preliminary findings state that "*should any other product be excluded from the scope of the PUC in the final findings, the Authority notes that Rule 15 of the Safeguard Rules entitles importers to a refund on the provisional duty imposed and collected on such articles*".

269. The Authority notes that in the case of Shapoorji Pallonji Infrastructure Capital Co. Ltd. v. Union of India W.P. No. 1156 of 2018, the Hon'ble High Court of Madras held that no prejudice is caused to any interested party if the Authority does not hold a public hearing before



issuing a preliminary finding since all parties would be permitted to present their views before issuing the final findings. After the preliminary findings were issued, all parties were provided time of 30 days to file their comments thereon. The Authority further held a hearing on 5<sup>th</sup> and 6<sup>th</sup> June 2025, after which parties were permitted to file written submissions and rejoinders. Therefore, the Authority notes that all parties were provided a fair opportunity to present their views prior to the issuance of these final findings.

**b. Procedural aspects of the oral hearing**

270. Interested parties submitted that the Authority granted insufficient time of 3 to 7 minutes to interested parties to make their submissions during the oral hearing. The domestic industry submitted that the time limit granted for the purposes of the oral hearing was adequate and necessitated in light of the large number of interested parties and the limited time available to complete the investigation. It was further submitted that the said time limit was only recommendatory in nature as it was not strictly enforced upon the interested parties during the hearing and in fact, many interested parties exceeded the said time limit. In fact, parties argued for more than 30 minutes on both the days of the hearing. It is due to this reason that the hearing, was extended beyond its intended duration of one day, and was conducted over two days i.e. 5<sup>th</sup> and 6<sup>th</sup> June 2025.

271. The Authority notes that more than 240 interested parties had registered as interested parties in the present investigation. Therefore, in the interest of fairness, and on account of the fact the timeframe for the completion of the investigation, the Authority deemed it appropriate to lay down certain disciplines to ensure the timely and orderly completion of the oral hearing, vide notice dated May 27, 2025. However, the said disciplines were only in the nature of guidelines and were not strictly enforced. Interested parties were permitted to argue in excess of their allocated time. In fact the counsel for the very interested parties that claimed that the time period of 3 to 7 minutes was insufficient was permitted to argue for more than 30 minutes on both days of the oral hearing. Further, all interested parties were permitted to submit written submissions or rejoinders and all such submissions made by the interested parties have been taken into account in terms of Rule 6(6) of the Safeguard Rules.

**c. Inconsistency in data periods**

272. Interested parties submitted that the Authority adopted inconsistent data periods for examining the increase in imports and serious injury to the domestic industry. The domestic industry submitted that the interested parties have failed to specify the information which it alleges to have been submitted for varying time period and in shifting metrics. The domestic industry submitted that any variance in comparable time periods is to assist the Authority to make a proper and holistic comparison between financial years, calendar years and period of investigation with the respective previous years.

273. The Authority notes that neither the Agreement on Safeguards, nor the Act and the Rules prescribes any guidance regarding the “period of investigation” that may be adopted. In this regard, the Authority refers to the WTO Panel Report in US – Lamb, wherein it was observed as under:

*7.196. We note that the Agreement contains no requirements as to how long the period of investigation in a safeguards investigation should be, nor how the period should be broken down for purposes of analysis. Thus, the period of investigation and its breakdown is left to the discretion of the investigating authorities.*

...

7.203. *We recall that there are no provisions in the Safeguards Agreement which give any guidance on how the period of investigation should be broken down for purpose of analysis by the investigating authorities. In the case before us the period selected by the ITC would have allowed it to find that there was a decrease in the imports if the facts in the case supported such a finding. We do not believe that the methodology chosen by the ITC for the purposes of analysing whether or not there was an increase in imports was inherently biased or would have precluded it from performing a reasonable evaluation of the facts in the investigation. The United States asserts that the ITC acted according to its past practice, and that this shows that the methodology was objective and unbiased. We agree with the United States. The United States responds that a comparison of matching interim periods, in this case January-June, of different years, is the standard ITC practice. According to the United States this standard practice helps eliminate the possible effect of any seasonal or cyclical distortions which may affect the comparison. Although the ITC concedes that line pipe is not a seasonal product, we are of the view that the methodology applied in the comparison was not chosen in order to manipulate the data and show a particular result. Nor is there any evidence of manipulation or bias resulting from an alleged inconsistency with the ITC's serious injury analysis. Although the ITC did make some observations that include or make reference to the second half of 1998 in its determination on serious injury or threat of serious injury, we do not consider that the ITC was comparing the situation in the first half of 1999 to that in the second half of 1998. The ITC was simply describing factual circumstances that existed in the second half of 1998 and the first half of 1999. The ITC was not drawing conclusions based on a comparison of those periods.*

274. As explained below, the Authority has examined the increase in imports for three different data periods to conduct a holistic examination of the recent, sudden, sharp and significant increase in imports. The Authority notes that the three methodologies adopted for examining the import trend would eliminate the possibility of distortions or anomalous trade patterns, if any. Further, the Authority has undertaken the injury examination by comparing the data for the period of investigation (October 2023 to September 2024) with the preceding three financial years (i.e., 2021-22, 2022-23 and 2023-24) In any event, the Authority notes that none of the interested parties have demonstrated that the methodology adopted by the Authority has impacted the analysis undertaken by the Authority.

#### H. INCREASE IN IMPORTS

275. Rule 2 (c) of the Rules state that 'increased quantity' includes increase in imports whether in absolute terms or relative to domestic production. The use of the word 'or' indicates that increase either in absolute terms or relative to domestic production is sufficient under the rules. Still, the Authority has examined the increase in imports both in absolute terms and relative to domestic production. In addition, increase in imports relative demand in India has also been examined. The analysis of volume of imports of the PUC into India is performed for the PUC as a whole, and for each of the five product categories thereof individually. Wherever necessary, the Authority made appropriate adjustments to the import data to account for the products/grades that have been excluded.

276. Interested parties submitted that the data on record does not demonstrate a recent,

sudden, sharp and significant increase in imports for all five categories of the PUC. It was submitted that the import volumes of Cold Rolled Coils and Sheets declined during the POI as compared to the previous year, whereas the import volume of Metallic Coated Sheets only marginally increased as compared to the previous year. It was further submitted that the increase in imports for all categories of the PUC was not sharp enough or significant enough.

277. The domestic industry submitted that the PUC is “*non-alloy and alloy steel flat products*”. The domestic industry highlighted that in the safeguard investigation undertaken by the European Union (“EU”), the PUC was defined as “certain steel products”, which comprised of 26 ‘product categories’.<sup>7</sup> It was submitted that four product categories<sup>8</sup> showed a decline in imports during the most recent period (July 2017 to June 2018) as compared to the immediately preceding year (2017); for 15 product categories,<sup>9</sup> there was less than a 10% increase in imports during the most recent period as compared to the immediately preceding year. The domestic industry noted that the European Commission observed that there was an increase in volume of imports of the PUC as a whole in both absolute and relative terms.<sup>10</sup>

278. The domestic industry submitted that the European Commission thereafter supplemented the examination at the PUC level with a disaggregated analysis at the level of 3 “product families”.<sup>11</sup> The domestic industry submitted that the EC found that 2 out of the 3 product families showed declining imports during the most recent period as compared to the previous year (2017),<sup>12</sup> and despite this, the European Commission found that there was “*a sudden, steep, and significant increase of imports both in absolute and relative terms for the product concerned under assessment*”.<sup>13</sup>

279. The domestic industry further submitted that before the WTO Panel, Turkey highlighted the concern that “*imports of certain individual product categories and product families decreased during the most recent part of the POI*”.<sup>14</sup> Turkey further argued that “*for certain product categories and product families imports peaked either in 2016 or 2017, after which they decreased somewhat, although remaining at a higher level than at the beginning of the POI*”.<sup>15</sup> The domestic industry contended that, the Panel found no inconsistencies in the European Commission’s approach in evaluating the increase in imports,<sup>16</sup> since the fact of increase in imports for the PUC as a whole remained unchallenged.<sup>17</sup>

280. The domestic industry submitted that the facts of the present case are identical to the

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<sup>7</sup> COMMISSION IMPLEMENTING REGULATION (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0159&from=EN>, annex II

<sup>8</sup> *Id.*, Categories 4, 7, 17 and 23.

<sup>9</sup> *Id.*, Categories 1, 2, 4, 5, 7, 8, 10, 15, 18, 20, 21, 22, 25, 26, 27.

<sup>10</sup> *Id.*, Recital (33)

<sup>11</sup> *Id.*, Recital (34).

<sup>12</sup> *Id.*, See table 3.

<sup>13</sup> *Id.*, Recital (47).

<sup>14</sup> Panel Report – *EU Steel Safeguard (Turkey)*, para 7.177.

<sup>15</sup> *Id.*, para 7.180.

<sup>16</sup> *Id.*, para 7.190.

<sup>17</sup> *Id.*, para 7.179.

facts of the case discussed above. In the present case, import trend was considered on three different comparison methods, namely (1) POI and three preceding Financial Years; (2) POI and the corresponding three 12-month periods; and (3) last six months of POI and the corresponding six months of the previous calendar year. In all the three comparison methods, PUC as a whole showed significant increase in imports either in absolute terms or relative to production. In method 1, PUC as a whole and each of the five categories individually recorded significant increase in imports. In method 2, PUC as a whole and each of the five categories individually recorded significant increase in imports during the POI as compared to the base year. There was a miniscule decline in one category namely CR Coils and sheets during the POI as compared to the immediately preceding 12 months period, but even CR Coils and sheets recorded an 18% increase during POI as compared to the base year. In method 3, PUC as a whole and each of the five categories individually recorded significant increase in imports during the last six months of the POI compared to the corresponding periods of the previous financial years. There is, thus, no merit in the contention that there is no recent, sudden, sharp and significant increase in imports of the PUC as a whole or in any of the five product categories individually.

281. The Authority notes that in EU – Safeguard (Turkey), the Panel observed that the methodology adopted by the EU was not inconsistent with the Agreement on Safeguards:

*7.29. We note that the panel in Argentina – Footwear (EC) was called upon to assess whether the authority had erred by not examining each injury factor for each segment of the market for the like or directly competitive products. In that dispute, Argentina had defined the like or directly competitive products as all footwear except ski boots. In collecting data from the domestic industry, Argentina had requested a breakdown into five product segments, but it had not then examined each injury factor for each of the five product segments separately, and the European Union argued that, by not doing so, Argentina had acted inconsistently with Articles 2 and 4 of the Agreement on Safeguards. The panel rejected that argument of the European Union. The panel reasoned that, given that the definition of like or directly competitive products (all footwear except ski boots) was not disputed, that definition was decisive. Therefore, Argentina was "required at a minimum to consider each injury factor with respect to all footwear" and was not required to consider each injury factor for each segment of the like or competitive products on a disaggregated basis, although it could do so. We agree with the assessment of that panel, because a Member is required to verify the existence of the necessary circumstances and conditions for the product under investigation as a whole (in the injury determination, for the corresponding like or directly competitive products as a whole), and not necessarily on a disaggregated basis.*

[...]

*7.69. Turkey argues that the European Commission took an inconsistent approach to the products under investigation because it first gave notice of an investigation into 28 different products, and sought information by product, but then examined sometimes all products together, sometimes each product individually or by family, and sometimes took a combination of these approaches. Turkey adds that the European Commission also acted in a biased manner, because it first reviewed the import trends for each product and excluded the products whose imports had not increased, and then continued the analysis only including those products whose imports had increased.*

[...]

7.72. *As regards the first of these two contentions, we have found, above, that the European Commission examined the existence of each of the requisite circumstances and conditions for the 26 product categories to which it applied the challenged definitive safeguard, taken together, and that for some conditions it supplemented that analysis with an analysis at the level of product categories and/or product families. Given that it applied the definitive safeguard on a product comprising 26 product categories, taken together, the European Commission was required, at a minimum, to investigate the existence of the necessary circumstances and conditions for that product. At the same time, this did not preclude the European Commission from examining that product, additionally, at a more disaggregated level. This being the case, Turkey has not demonstrated that merely by conducting both a global analysis and, in some instances, conducting in addition a more disaggregated analysis, the European Union acted inconsistently with the requirements to publish "findings and reasoned conclusions" (Article 3.1), to "evaluate all relevant factors of an objective and quantifiable nature" (Article 4.2(a)), or to publish "a detailed analysis" (Article 4.2(c)).*

282. In the above dispute, the Panel observed that the investigating authorities must, as the minimum, investigate the existence of a recent, sudden, sharp and significant increase in imports for the PUC as a whole. The Authority may thereafter supplement its analysis of the PUC as a whole with an examination of individual product categories.

283. The Authority notes that the PUC is defined as non-alloy and alloy steel flat products. The Authority examines the import trends for the PUC as a whole, and further supplements its examination of the trends at the PUC level with an examination at the level of each individual product category. The import trends are examined below based on the principles discussed above.

## **ii. Absolute Terms**

284. At the outset, it has been noted that first six months of the POI i.e., from Oct-23 to Mar-24 overlapped the FY 2023-24 and FY 2021-22 was affected by the Covid-19 pandemic. Therefore, imports made during POI were compared with FY 2022-23 to examine whether there is a sudden, sharp and significant increase in imports or not.

285. First, analysis was carried out for the POI (Oct- 23 to Sep-24) and FY 2022-23. Secondly, data for the POI was compared to the corresponding 12 months of the previous year's i.e. on an Oct – Sep basis for the sake of fair comparison.

### **Comparison I - POI data with FY 2022-23**

286. When data for the POI is compared with FY 2022-23, imports of the PUC as a whole increased from 3.524 million MT (MMT) during 2022-23 to 6.612 MMT during the POI. The cumulative increase was 3.088 MMT or by 88%. On category-by-category comparison, it has been noted that imports of CR Coils and Sheets declined during the same period i.e., there is no surge in imports as shown in the table below.

(Volume in '000s of MTs)

287. Further, imports of HR Coils and sheets, HR Plate Mill Plates, Metallic Coated Steel

Product	2021-22	2022-23	2023-24	POI
<b>Actual</b>				
HR Coils and Sheets	995	1,926	3,081	3,973
HR Plate Mill Plates	302	312	619	892
CR Coils and Sheets	473	578	515	541
Metallic Coated Steel	381	518	762	803
Colour Coated Steel	142	190	366	404
<b>Total</b>	<b>2,293</b>	<b>3,524</b>	<b>5,344</b>	<b>6,612</b>
<b>Trend</b>				
HR Coils and Sheets	100	194	310	399
HR Plate Mill Plates	100	103	205	295
CR Coils and Sheets	100	122	109	115
Metallic Coated Steel	100	136	200	211
Colour Coated Steel	100	134	259	285
<b>Total</b>	<b>100</b>	<b>154</b>	<b>233</b>	<b>288</b>

and Colour Coated Steel increased year after year except CR Coils and sheets, which declined.

### Comparison II – 12 months of Oct-Sep basis

288. The period of Oct-20 to Sep-21 was impacted by Covid. Accordingly, this period was not considered for analysis. When import data is compared on 12 months period of Oct-Sep basis, imports of the PUC as a whole increased by 4.046 MMT or by 157% during Oct-23 to Sep-24 compared to Oct 2023 to Sep 2024, Of the five categories of PUC, four categories (except CR Coils and sheets) recorded a consistent increase year-after-year. Import of CR coils and sheets declined marginally by 0.010 MMT during the POI as compared to the previous 12 months period as shown in the table below:

(Volume in '000s of MTs)

Product	Oct-20 to Sep-21	Oct-21 to Sep 22	Oct-22 to Sep-23	Oct-23 to Sep- 24
<b>Actual</b>				
HR Coils and Sheets	1,167	1,158	2,309	3,973
HR Plate Mill Plates	375	316	397	892
CR Coils and Sheets	460	502	551	541
Metallic Coated Steel	369	427	608	803
Colour Coated Steel	198	163	255	404
<b>Total</b>	<b>2,570</b>	<b>2,566</b>	<b>4,119</b>	<b>6,612</b>
<b>Trend</b>				
HR Coils and Sheets	100	99	198	340
HR Plate Mill Plates	100	84	106	238
CR Coils and Sheets	100	109	120	118
Metallic Coated Steel	100	116	165	218
Colour Coated Steel	100	82	129	204
<b>Total</b>	<b>100</b>	<b>100</b>	<b>160</b>	<b>257</b>

### iii. Relative terms

289. For this purpose, both demand and production (net of captive consumption) as per JPC's Annual Statistics were considered.

290. **PUC as a whole:** The volume of Imports relative to production increased from [\*\*\*]% during FY 2021-22 to [\*\*\*]% during the POI, an increase of [\*\*\*]%. During the same period, imports relative to demand in India increased from [\*\*\*]% to [\*\*\*]% as shown in the table below.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Imports	'000 MT	***	***	***	***
	Trend	100	154	233	288
Domestic Sales of DI	'000 MT	***	***	***	***
	Trend	100	122	132	133
Total Demand (JPC AS)	'000 MT	***	***	***	***
	Trend	100	115	129	139
DI Production (Excluding Captive Consumption)	'000 MT	***	***	***	***
	Trend	100	108	119	117
<b>Imports relative to</b>					
... Demand	%	***	***	***	***
	Trend	100	134	180	208
... Production	%	***	***	***	***
	Trend	100	142	196	247
Market Share of DI	%	***	***	***	***
	Trend	100	106	102	95

291. **HR Flat products:** The volume of imports relative to production increased from [\*\*\*]% during FY 2021-22 to [\*\*\*]% during POI. During the same period, imports relative to demand increased from [\*\*\*]% to [\*\*\*]%.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Imports	'000 MT	***	***	***	***
	Trend	100	172	285	375
Domestic Sales of DI	'000 MT	***	***	***	***
	Trend	100	122	134	132
Total Demand (JPC AS)	'000 MT	***	***	***	***
	Trend	100	129	147	154
DI Production (Excluding Captive Consumption)	'000 MT	***	***	***	***
	Trend	100	110	121	118
<b>Imports relative to</b>					
... Demand	%	***	***	***	***
	Trend	100	134	194	244
... Production	%	***	***	***	***
	Trend	100	157	236	318
Market Share of DI	%	***	***	***	***
	Trend	100	94	91	85

292. **CR Coils and sheets:** The imports relative to production increased from [\*\*\*]% during FY 2021-22 to [\*\*\*]% during the POI. During the same period, imports relative to demand increased from [\*\*\*]% to [\*\*\*]%

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Imports	'000 MT	***	***	***	***
	Trend	100	122	109	115
Domestic Sales of DI	'000 MT	***	***	***	***
	Trend	100	116	126	127
Total Demand (JPC AS)	'000 MT	***	***	***	***
	Trend	100	85	90	104
DI Production (Excluding Captive Consumption)	'000 MT	***	***	***	***
	Trend	100	100	110	111
<b>Imports relative to</b>					
... Demand	%	***	***	***	***
	Trend	100	143	120	110
... Production	%	***	***	***	***
	Trend	100	122	99	104
Market Share of DI	%	***	***	***	***
	Trend	100	135	139	122

293. Metallic Coated Steel: Imports relative to production increased from [\*\*\*]% during FY 2021-22 to [\*\*\*]% during the POI. During the same period, imports relative to demand increased from [\*\*\*]% to [\*\*\*]%.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Imports	'000 MT	***	***	***	***
	Trend	100	136	200	211
Domestic Sales of DI	'000 MT	***	***	***	***
	Trend	100	130	141	156
Total Demand (JPC AS)	'000 MT	***	***	***	***
	Trend	100	113	132	146
DI Production (Excluding Captive Consumption)	'000 MT	***	***	***	***
	Trend	100	105	116	119
<b>Imports relative to</b>					
... Demand	%	***	***	***	***
	Trend	100	121	152	144
... Production	%	***	***	***	***
	Trend	100	129	173	177
Market Share of DI	%	***	***	***	***
	Trend	100	115	107	107

294. Colour Coated Steel: The volume of imports relative to production increased from [\*\*\*]% during FY 2021-22 to [\*\*\*]% during the POI. During the same period, volume of imports relative to demand increased from [\*\*\*]% to [\*\*\*]% as shown in the table below.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Imports	'000 MT	***	***	***	***
	Trend	100	134	259	285
Domestic Sales of	'000 MT	***	***	***	***



Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
DI	Trend	100	117	118	117
Total Demand (JPC AS)	'000 MT	***	***	***	***
	Trend	100	113	127	127
DI Production (Excluding Captive Consumption)	'000 MT	***	***	***	***
	Trend	100	108	117	113
<b>Imports relative to</b>					
... Demand	%	***	***	***	***
	Trend	100	118	204	225
... Production	%	***	***	***	***
	Trend	100	124	220	252
Market Share of DI	%	***	***	***	***
	Trend	100	103	93	92

295. The above analysis indicates that the volume of imports increased both in absolute terms, and relative to production and demand. The increase in import volumes by 4.319 MMT or by 188% during the injury analysis period is considered to be significant, sudden and sharp. An increase of 1.521 MMT during the POI compared to the immediately preceding FY indicates that it was recent, sudden and sharp. Comparison of imports of the PUC across different time buckets (which are adequately long and recent) in absolute numbers or relative imports (as a share of demand and production) unequivocally show a surge of imports. In view of the above, the Authority holds that the increase in the volume of imports of the PUC as a whole, and the five categories of PUC individually, has been recent, sudden, sharp and significant.

## I. UNFORESEEN DEVELOPMENTS

296. The domestic industry submitted that neither the Act nor the Rules stipulate that the existence of unforeseen developments is a pre-requisite for the imposition of the safeguard measure. The domestic industry however, submitted that the increase in imports occurred as a result of the confluence of various unforeseen developments, namely: (a) the wave in trade remedy measures; (b) the global excess capacity crisis; and (c) the changes in ASEAN trade patterns, including the changes in China's policies.

297. Interested parties submitted that the events identified by the domestic industry cannot be described as "unforeseen developments" in terms of GATT Article XIX. It has been submitted that the developments identified by the domestic industry have been occurring for several years and have been widely discussed and publicised and are not unforeseen.

298. The domestic industry submitted that as per GATT Article XIX, the Authority is not required to examine whether the increase in imports was 'unforeseeable', but rather whether the increase in imports was 'unforeseen' or 'unexpected' and that the question that the Ld. DG must answer is not whether the factors were unforeseeable to India at all, but rather, whether such factors were unforeseen while undertaking the obligations under the GATT. The domestic industry further submitted that the WTO Panel in *US – Steel Safeguard* observed that "*an unforeseen development may evolve from well-known prior facts*".<sup>18</sup> In *EU – Steel Safeguard*

<sup>18</sup> Panel Reports, *United States – Definitive Safeguard Measures on Imports of Certain Steel Products*, [WT/DS248/R](#) and Corr.1 / [WT/DS249/R](#) and Corr.1 / [WT/DS251/R](#) and Corr.1 / [WT/DS252/R](#) and Corr.1 /

(Turkey), the Panel observed that “[a] development that was unforeseen at the time of contracting an obligation can evolve from a situation that was known at that time”.<sup>19</sup>

299. The Act and the Rules do not refer to the term “unforeseen developments”. However, the Agreement on Safeguards read with Article XIX:1(a) of the General Agreement on Tariffs and Trade (GATT) 1994 is interpreted by Appellate Body<sup>20</sup> to mean that an investigating authority is to assess ‘if as a result of unforeseen developments and of the effect of the obligations incurred by a contracting party under this Agreement, including tariff concessions, any product is being imported into the territory of that contracting party in such increased quantities and under such conditions as to cause or threaten to cause serious injury to domestic producers in that territory of like or directly competitive products’. The Appellate Body has explained that the ordinary meaning of the phrase ‘as a result of unforeseen developments’ requires that developments which led to a product being imported in such increased quantities and under such conditions as to cause or threaten to cause serious injury to domestic producers must have been “unexpected”<sup>21</sup>. Further, the Panel and Appellate Body in *US-Steel Safeguards* and *Korea-Dairy* have observed that unforeseen developments are developments that were not foreseen or expected at the time a Member incurred an obligation under GATT<sup>22</sup>. It has also been held that the term ‘Unforeseen developments’ denotes not a separate “condition” for the imposition of safeguard measures, but a certain set of circumstances to be demonstrated as a matter of fact<sup>23</sup>. The Panel in *US-Steel Safeguards* has also observed that *Article XIX does not preclude consideration of the confluence of multiple developments as “unforeseen developments”.....; that the confluence of developments can form the basis of “unforeseen developments” for the purposes of Article XIX of GATT 1994. It is for each Member to demonstrate that a confluence of circumstances that it considers were unforeseen at the time it concluded its tariff negotiations resulted in increased imports causing serious injury*<sup>24</sup>. Panels and Appellate Body have consistently held that there must be a logical connection between unforeseen developments and the increase in imports. The Appellate Body has observed that ‘Investigating authorities must demonstrate the existence of unforeseen development as a matter of fact and a logical connection between the developments and the increase in imports causing injury to the domestic producers’<sup>25</sup>.

300. The Authority further notes that an event must be demonstrated to be an unforeseen development at the time of incurring the obligations. The test is not whether the developments

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[WT/DS253/R](#) and Corr.1 / [WT/DS254/R](#) and Corr.1 / [WT/DS258/R](#) and Corr.1 / [WT/DS259/R](#) and Corr.1, adopted 10 December 2003, para. 10.84.

<sup>19</sup> Panel Report, *EU – Steel Safeguard (Turkey)*, para 7.101.

<sup>20</sup> Appellate Body Report, *Argentina – Safeguard Measures on Imports of Footwear (EC)* paras. 78-98 <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/WT/DS/121ABR.pdf&Open=True> ; Appellate Body Report, *Korea – Definitive Safeguard Measures on Imports of Certain Dairy Products*, WT/DS/98 <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/WT/DS/98ABR.pdf&Open=True> paras. 76-92.

<sup>21</sup> Appellate Body Report, *Argentina – Footwear (EC)* para 91, 96, Appellate Body Report, *Korea – Dairy* para. 84, 89.

<sup>22</sup> Appellate Body Report, *Korea – Dairy*, WT/DS98, para 89 and Panel Report, *US-Steel Safeguard*, para 10.41

<sup>23</sup> Appellate Body Report, *Argentina – Footwear (EC)* para. 92, Appellate Body Report, *Korea – Dairy*, para. 85

<sup>24</sup> Panel Report, *US-Steel Safeguard* para. 10.99

<sup>25</sup> Appellate Body Report, *Korea-Dairy*, paras. 81-82

were unforeseeable. Rather, the test is whether the same were unexpected at the time of incurring the obligations, i.e. accession to WTO.<sup>26</sup>

301. In light of the above understanding, the Authority examines whether the facts on record in this case to determine whether the imports have surged as a result of unforeseen developments within the meaning of Article XIX:1(a) of the GATT 1947. The facts on record and their evaluation by the Authority is as follows:

302. The domestic industry has claimed that the volume of imports increased as a result of certain unforeseen developments, namely, (a) multiple trade protection measures against steel products by various WTO Member countries, (b) excess capacity and slowing demand in China, Japan, Korea and ASEAN countries, and (c) changes in ASEAN steel sector. It is necessary to determine whether the said developments are unforeseen and whether the increase in imports is attributable to these unforeseen developments.

***a. Multiple trade protection measures***

303. Interested parties submitted that trade remedy measures are routine, regular and foreseeable occurrences that are a legitimate exercise of rights under the WTO Agreements. It has been submitted that there have been several trade remedy measures against steel products.

304. The domestic industry noted that the wave of trade remedy measures following the US 232 measures could not have been foreseen by India at the time of undertaking obligations under the GATT. The domestic industry further noted that in EU – Steel Safeguards (Turkey) and in US – Steel Safeguards, the WTO Panel noted that trade remedy measures can constitute “unforeseen developments”.

305. The current wave of trade protection measures against steel products was started by the United States, under Section 232 of the US Trade Expansion Act 1962 concluded that steel articles were being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States, and imposed a 25% additional duty on all imports of steel products (Chapter 72 and 73) with effect from 23 March 2018. Though certain relaxations were given to certain countries, the 25% additional duty continues to be in force even today. In addition to the above, the United States has also introduced Section 301 tariffs on various goods originating from China including Chinese Steel at 25% from August 1, 2024.

306. In response to the imposition of Section 232 measures by USA on 23 March 2018, several countries imposed protective measures, some of which are listed below:

- i On 15 May 2018, GCC imposed safeguard measures in the form of a specific rate of duty on products falling under HSN Heading 7210. The measure expired on 14 May 2021.
- ii On 18 July 2018, EU imposed safeguard measures in the form of TRQ with over the quota tariff of 25% on all products falling under HSN headings 7208, 7209, 7210, 7211, 7212, 7225 and 7226. The measure still continues.

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<sup>26</sup> Panel Report, *Dominican Republic – Safeguard Measures on Imports of Polypropylene Bags and Tubular Fabric*, [WT/DS415/R](#), [WT/DS416/R](#), [WT/DS417/R](#), [WT/DS418/R](#), and Add.1, adopted 22 February 2012, para. 7.133. See also Appellate Body Reports, *Argentina – Footwear (EC)*, para. 96, and *Korea – Dairy*, para. 89, citing GATT Working Party Report, *US – Fur Felt Hats*, adopted 22 October 1951.

- iii On 31 Dec 2018, Morocco imposed Safeguard measures on in the form of a TRQ with an over the quota tariff of 16% on products falling under HSN headings 7209, 7210, 7211, 7212, 7225, and 7226. The measures expired recently on 31 Dec 2024. On 19 June 2020, Morocco imposed safeguard duty of 25% (no quota) on certain steel products. The measure still continues.
- iv GCC imposed a safeguard measure under HSN heading 7210 on 15 May 2018 which expired on 14 May 2021.
- v The Board of Eurasian Economic Commission imposed a safeguard measure in form of quota under HSN headings 7208, 7211, 7225, 7226 on 1 December 2019, which was in force for a year.
- vi Canada imposed a safeguard measure under HSN heading 7306, 7305, 7304, 7227, 7226, 7225, 7223, 7214, 7213, 7212, 7210, 7211, 7208, 7208, 7210, 7211, 7212, 7213, 7214, 7223, 7225, 7226, 7227, 7304, 7305, 7306, 7305, 7208, 7210, 7211, 7212, 7213, 7214, 7223, 7225, 7226, 7227, 7304, 7305, 7306, 7210, 7208, 7306, 7304, 7227, 7226, 7225, 7223, 7214, 7213, 7212, 7211 in form of tariff rate quota on May 13, 2019. The measure expired in May 2021.
- vii UK imposed safeguard measure in form of tariff rate quota under the HSN headings 720853, 720853, 720852, 720852, 720840, 720839, 720838, 720837, 720836, 720827, 720826, 720825, 722691, 720810, 720854, 721113, 721114, 721119, 721260, 722519, 722530, 722530, 722530, 722540, 722540, 722619, 722691, 722691, 720854, 720810, 720825, 720826, 720827, 720836, 720837, 720838, 720839, 720840, 720852, 720852, 720853, 720853, 722691, 721113, 721114, 721119, 721260, 722519, 722530, 722530, 722530, 722540, 722540, 722619, 722691, 722691. The measure still continues.

307. In addition to the safeguard measures, several WTO Members imposed Antidumping or countervailing duties on imports of steel products into their territories. According to an OECD Report, 129 trade remedy measures were adopted by countries such as the EU, Canada, the UK and others against steel products. The trend of trade protection measures displays a progressively growing tendency on the part of WTO Members to initiate trade remedy measures against steel in response to influx of imports. An average of 77 steel-related investigations were initiated between 2011-2013, which increased to 117 during 2015-16<sup>27</sup>; and 129 between 2019-23. Furthermore, in the period January to September 2024, as many as 67 new anti-dumping investigations have been initiated globally, which represents the highest number of trade remedy actions observed since the excess capacity crisis of 2015-16<sup>28</sup>. Over 70% of the number of investigations against steel products between 2019-23<sup>29</sup> were targeted against steel flat products. The Authority also notes that as a recent report by the OECD, 79 trade remedy investigations against steel were initiated by countries (excluding India) in 2024 alone.

308. The domestic industry further has presented information that as per the data compiled by the WTO, there are currently 520 anti-dumping measures and 89 countervailing duties in

<sup>27</sup> Commission Implementing Regulation (EU) 2023/104, L 12/14, Para. 14

<sup>28</sup> OECD, 96th Session of the Steel Committee: Statement by the Chair

<sup>29</sup> OECD, Steel Trade and Trade Policy Developments (Jan. – Jun. 2023)

force against all steel products.

309. The Authority holds that the surges witnessed in trade remedy actions during 2019 - 2024 in major global markets despite the high number of trade protection measures on steel existing prior to 2019 are unforeseen and that the unprecedented number of such measures is by itself unforeseen.

310. Although trade remedy measures are generally routine and cyclical, the Authority notes that when India undertook the obligations under the GATT, including tariff concessions, it could not have foreseen that the imposition of the US 232 measures by the United States, which has resulted in an unprecedented wave of trade remedy measures by all other countries.

***b. Excess capacity and slowing demand***

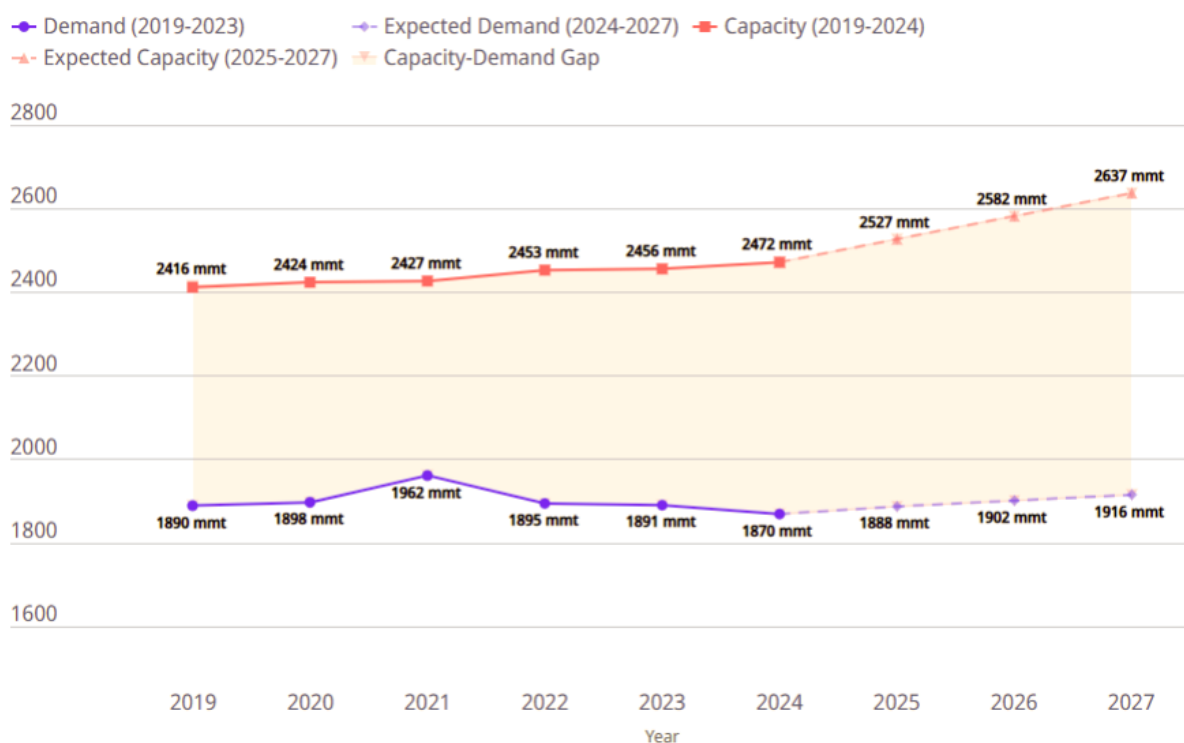
311. It was also submitted that excess capacity has been a chronic and well documented challenge across various global markets. The persistent global overcapacity has been highlighted in numerous industry reports and trade analyses. It was further submitted that China's "three red lines" policy was known since 2020. Parties also submitted that Chinese investments in the ASEAN region have been occurring for several years and are not foreseen.

312. The domestic industry submitted that merely because the issue of excess capacity has been discussed in global forums for a considerable period of time does not imply that the unprecedented rise in excess capacity was foreseen at the time of undertaking GATT obligations.

313. The Authority notes that according to an OECD report on 'latest developments in steelmaking capacity'<sup>30</sup>, global steelmaking capacity posted four consecutive years of growth in the period 2019-2022. In 2022 alone, global steelmaking capacity increased by 32.1 MMT to 2459.1 MMT, the highest global capacity figure in history. The global steelmaking capacity reached 2472MMT in 2024 and the consumption declined to 1870 MMT as per a recent OECD report. The increases seen in global capacity in 2022 was larger than the capacity levels of some large steel-producing economies (for example Vietnam, with a capacity of 26 MMT in 2022).

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<sup>30</sup> OECD Report dated 18 January 2024



(Source: OECD)

314. Further, there is a gap between global capacity and crude steel production indicating significant excess capacity globally. The excess capacity surged to 627.7 MMT in 2022 from 512.6 MMT in 2021. Excess steelmaking capacity data relates to crude steelmaking capacity. The producers must convert crude steel into saleable steel, which would then be converted into longs or flat steel products. While the share of excess capacity specific to longs or flats may not be equal, excess crude steelmaking capacity is representative of the unutilised significant assets adding to fixed costs and seriously affecting the steel producers around the globe. Such an increase in excess capacity poses grave risks for the long-term health and viability of the steel industry.

315. The steel consumption in Japan is significantly less compared to its steel capacity and the Japanese steel industry is highly export oriented. Crude steel capacity and consumption of steel in Japan are as follows:

Particulars	2021	2022	2023
Crude Steel Capacity	122.4	122.4	117.8
Crude Steel Consumption	63.6	60.8	58.7
Excess Capacity Compared to Consumption	58.8	61.6	59.1
Excess Capacity as a percentage of consumption	92%	101%	101%

(Source: World Steel Association)

316. Similarly, steel capacity in South Korea is significantly higher than its steel consumption, and the South Korean steel industry is highly export oriented as shown below:

Particulars	2021	2022	2023
Crude Steel Capacity	81.6	81.6	81.6
Crude Steel Consumption	58.4	53.4	54.6
Excess Capacity Compared to Consumption	23.2	28.2	27
Excess Capacity as a percentage of consumption	40%	53%	49%

(Source: World Steel Association)

317. The domestic industry further presented the following information regarding the excess capacity during 2024:

Particulars	Units	China	Japan + Korea	Total
Steelmaking Capacity <sup>31</sup>	MMT	1141.5	198.6	1340.1
Demand <sup>32</sup>	MMT	909	106	1015
Excess Capacity in relation to Demand	MMT	232.5	92.6	325.1
<b>Excess Steelmaking Capacity %</b>	<b>%</b>	<b>26%</b>	<b>87%</b>	<b>32%</b>
Apparent Steel Use (Finished Products) <sup>33</sup>	MMT	857	99.2	956
Excess Capacity in relation to Apparent Steel Use (Finished Steel)	MMT	285	99	384
<b>Excess Capacity % (Finished Steel)</b>	<b>%</b>	<b>33%</b>	<b>100%</b>	<b>40%</b>

318. The domestic industry further submitted that as per the data on record, Japan and Korea together have 2 times as much capacity as the amount of finished steel that they consume, while China's excess capacity is 40% of its consumption of finished steel. The domestic industry submitted that finished steel includes several product categories including the PUC. Therefore, finished steel excess capacity is a good indicator of excess capacity in flat steel or PUC.

319. In 2020, China introduced the "Three Red Lines" policy to control the excessive borrowing of property developers. This policy set strict limits on debt ratios, which many developers failed to meet, leading to restricted borrowing and financial strain, including defaults on debt repayments.<sup>34</sup> As a result, the real estate sector witnessed a significant decline in demand resulting in stalling or disruption of numerous construction projects. Consequently, China's real-estate investments have slid down 2021 onwards and declined by 10.2% during January to July 2024. This led to a decline in the domestic steel consumption of long products in China. China's steel industry tried multiple strategies to mitigate the fall in domestic steel demand from the construction sector. For one, mills shifted production from longs to flats. As may be seen from the graph below, flat products production share increased from 50% to 59%,

<sup>31</sup> OECD (2025), OECD Steel Outlook 2025, OECD Publishing, Paris, <https://doi.org/10.1787/28b61a5e-en>.

<sup>32</sup> *Id.*

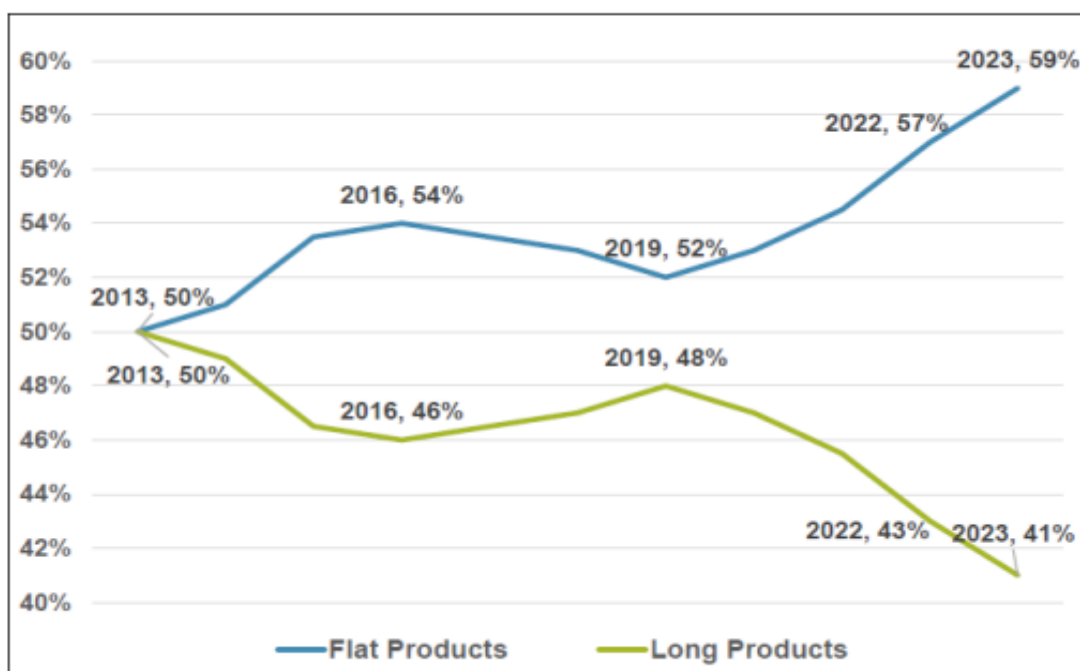
<sup>33</sup> <https://worldsteel.org/data/world-steel-in-figures/world-steel-in-figures-2025/#apparent-steel-use-2020-to-2024>

<sup>34</sup> UBS, "China's Three Red Lines: Opportunities in China real estate", <https://www.ubs.com/global/en/assetmanagement/insights/thematic-viewpoints/apac-and-emerging/articles/china-three-red-lines.html>



while long products went down correspondingly.

**Chart 14: Share of Flat & Long Products in Total Production**



Source: WSA, Estimated Contributions

320. One of the additional reasons for the recalibration has also been the exportability of flat products as opposed to long products, to overseas markets. This led to an increase in exports of flat products from China PR.

321. The Authority holds the above developments taking into account the volume of excess capacity as unforeseen. Similarly, the significant shift in the volume of production from long products to flat products that occurred in China is also unforeseen.

### *c. Changes in ASEAN region Steel sector*

322. The domestic industry submitted that there has been an increase in Chinese investments in the steel sector in the ASEAN region. The other interested parties stated that the development of Chinese investments in ASEAN is not unforeseen since it has been well reported for a considerable period of time.

323. The Authority notes that in 2019, it was reported that almost half of the existing overseas capacity from Chinese Mills were located in ASEAN and that various Chinese mills are setting up capacities in the ASEAN region. ASEAN region is expected to significantly increase crude steel production capacity. The ongoing excess capacity itself is at a risk of significant escalation. The increase in overcapacity is also directly responsible for the increase in imports of steel flat products into India, since overcapacity prompts producers to offload excess capacity through exports in third-country markets.

324. Despite declining steel demand, and a weak outlook, capacity expansion continues at a robust pace. For instance, Vietnam, a net steel export destination for Indian steel industry in the past, is now a net steel exporter to India. New capacities being added in ASEAN countries



such as Vietnam, Cambodia, Singapore, Indonesia, Thailand, Malaysia, Philippines are mainland Chinese investments.

325. The Authority further takes note of a recent OECD report that indicates that China has invested more than USD 18.1 Billion in construction of steel plants in Indonesia, Malaysia, Philippines and Viet Nam, which would account for an aggregate steelmaking capacity of 60.51MMT.<sup>35</sup> The report further states that Chinese investments in ASEAN Member states intensified subsequent to the “*US-China trade conflict*” in 2018.<sup>36</sup> The foreign investments were also aimed at addressing the significant overcapacity in China.<sup>37</sup>

326. The Authority has carefully perused the above changes in the Steel sector. It notes that the changes in the ASEAN steel sector considering the extent of such changes appear to be unforeseen. At the time of undertaking obligations under the GATT, India could not have expected that in China, a policy such as the ‘Three Red Lines’ would affect the construction sector and lead to a fall in the domestic consumption of steel long products, such that the production of flat products would rise. Neither could India have foreseen that favorable export market conditions could arise for steel flat products in overseas markets, and that the capacity of steel production could increase at a pace as to substantially exceed the level of internal consumption, thus leading to excess capacities despite weakening demand. Nor could India expect that this would, in turn, lead to vehement trade protection measures in light of the overall steel industry situation. Furthermore, India could also not have expected at the time of negotiating concessions that China’s excess capacities and exports would spill over to countries in the ASEAN, along with Korea and Japan - which would also develop massive excess capacities over their consumption levels, and become heavily export-oriented. All the aforementioned developments and circumstances account for more than a mere change in capacity, production or changes in market positioning. The Authority thus is of the view that the cumulative effect of the confluence of the developments narrated above was clearly unforeseen.

***d. Logical connection between the unforeseen developments and increase imports***

327. It has further been contended that there is no logical connection between the increased imports and unforeseen developments. It was submitted that the unforeseen developments presented in the application as well as in the preliminary findings pertain to ‘steel products’ in general and not the PUC alone. Interested parties have submitted that there is no empirical evidence to demonstrate that there has been trade diversion in the PUC as a result of trade actions undertaken by various other countries.

328. The domestic industry claims that (a) the surge in imports of the article under investigation follows the imposition of trade protection measures and the other developments mentioned above; and (b) the increase in imports can be attributed to the confluence of several unforeseen developments such as multiple trade protection measures against steel, excess capacity and slowing demand in China, Japan, Korea and ASEAN, and changes in ASEAN steel sector. This confluence of simultaneous protectionism and export orientation has led to the flooding of the Indian market - the only growing, large steel consuming market that has not

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<sup>35</sup> OECD (2025), OECD Steel Outlook 2025, OECD Publishing, Paris, <https://doi.org/10.1787/28b61a5e-en>.

<sup>36</sup> *Id.*, page 30.

<sup>37</sup> *Id.*

imposed any protective measures.

329. In *EU – Safeguard Measures on Steel (Turkey)*, the Panel noted that “*demonstrating a coincidence in time between certain unforeseen developments and an increase in imports, and explaining their connection, is sufficient to establish their logical connection for purposes of Article XIX:1(a).*”

330. With respect to the logical connection concerning China’s Three Red Lines Policy, the Authority notes that, as already examined above, the timing of policy squarely coincides with the decline in Chinese exports of long products and an increase in exports of flat products (which includes the PUC). The domestic industry has further provided information regarding China’s investments in flat steel production (which includes the PUC) capacities in ASEAN countries.<sup>38</sup>

331. With respect to the logical connection between the excess steelmaking capacity and increase in steel exports, the domestic industry submitted that a report by the OECD has established the direct connection between excess steelmaking capacity and export orientation of countries:

*“The continued problems of excess capacity and subsidisation have led to significant shifts in steel trade flows. Chinese steel exports have more than doubled since 2020 (Figure 1.5), reaching a record-high 118 mmt in 2024, while the country’s steel imports have plunged by almost 80% to 8.7 mmt. Some other economies with rapidly growing capacity are also posting rapid export growth, though from much lower levels. These changes concerning China’s steel exports and imports pose a significant trade-related challenge for many OECD and other market-oriented economies, as their exports declined while imports surged.*

*The trade-related challenges of excess capacity go beyond the direct effects in importing markets – where imports from sources of excess capacity can significantly displace domestic steel production and reduce opportunities for exporters from countries that are not the source of excess capacity – and can involve harmful indirect effects across many OECD countries. For example, exports from China also surge to third markets, some of which are also grappling with growing excess capacity, such as Northern Africa, the Middle East and Southeast Asia, which in turn increase their exports, particularly to OECD countries, because their domestic markets are saturated with surplus steel.”<sup>39</sup>*

332. The Authority further takes note of the submission of the domestic industry that the excess capacity as a percentage of finished steel consumption Japan and Korea is 100%, whereas China’s excess capacity as a percentage of finished steel consumption is 33%. Further, the Authority notes that the domestic industry has provided excess capacity information related to finished steel as a whole, which comprises of various categories of steel products including the PUC. Therefore, the excess capacity information provided by the domestic industry is a good indicator of the global excess capacity of the PUC. The Authority notes that there is sufficient information on record to conclude that the excess global steelmaking capacity in

<sup>38</sup> <https://www.seaisi.org/details/1109?type=news-rooms>, [https://www.iseas.edu.sg/wp-content/uploads/2020/03/ISEAS\\_Perspective\\_2020\\_50.pdf](https://www.iseas.edu.sg/wp-content/uploads/2020/03/ISEAS_Perspective_2020_50.pdf)

<sup>39</sup> OECD (2025), *OECD Steel Outlook 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/28b61a5e-en>

finished steel products (which includes the PUC) has resulted in a recent, sudden, sharp and significant increase in imports into India.

333. With respect to the logical connection between trade remedy measures and trade diversion, the domestic industry submitted that the data published by the US International Trade Association indicates that imports of flat steel products into the US declined from 12.1 MMT in 2017 (prior to the imposition of the Section 232 measure) to 10.6 MMT in 2024.<sup>40</sup> This was despite the exemptions to the Section 232 measures that the US granted to various countries during this period.

334. It has further been submitted that, a report published by the EU also concluded that trade remedy measures by the EU have resulted in an 82% decline in imports of the given product into the European Market.<sup>41</sup> For trade remedy measures on steel products alone, the EU's report found a 73% reduction in import volumes post the imposition of the measures.

335. The domestic industry also stated that an OECD report notes that trade measures have the effect of diverting trade to other countries:

*“This increase in product-specific and broader trade actions reflects the direct and indirect effects that sources of excess capacity are having on international trade flows of steel.*

*Steel producers subject to trade measures often seek to ease the impact by shifting their exports to other markets with no or less restrictive trade measures or exploring ways to circumvent them. They do so by selling upstream or downstream products not subject to the trade measures in the country imposing the trade measures and/or by shipping products to intermediary countries for further processing/finishing and eventual export to the countries where the trade measures are in force.”<sup>42</sup>*

336. The Authority finds that imports of the product concerned (falling under HSN Tariff Headings 7208, 7209, 7210, 7211, 7212, 7225 and 7226) into the USA declined by 2.183 MMT in 2023 compared to 2021 as may be seen in the table below:

(Quantity in MTs)					
County	CY 2021	CY 2022	CY 2023	Cumulative decline in imports into USA	Increase in imports into India between 2021-2023
China	140,886	209,118	92,010	(48,876)	801,595
Japan	463,837	438,808	351,232	(112,605)	443,030
Korea, RP	1,361,971	1,259,274	1,152,649	(209,322)	394,752
Viet Nam	679,022	660,413	249,938	(429,084)	847,437

<sup>40</sup> <https://www.trade.gov/data-visualization/united-states-steel-imports-report>

<sup>41</sup> COMMISSION IMPLEMENTING REGULATION (EU) 2023/104 of 12 January 2023 amending Implementing Regulation (EU) 2019/159 imposing a definitive safeguard measure on imports of certain steel products following a report adopted by the World Trade Organization's Dispute Settlement Body, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R0104&from=EN>

<sup>42</sup> Domestic Industry's Written submissions, Exhibit 2.

County	CY 2021	CY 2022	CY 2023	Cumulative decline in imports into USA	Increase in imports into India between 2021-2023
Others	8,131,981	8,102,976	7,062,825	(1,069,156)	35,619
<b>Total</b>	<b>11,334,940</b>	<b>11,151,458</b>	<b>9,151,127</b>	<b>(2,183,813)</b>	<b>2,522,433</b>

(source: Trade map database)

337. During the corresponding period, imports of the product concerned into India has recorded a significant increase. For instance, Imports from Japan into USA declined by 112,605 MT during the period 2021-2023 whereas imports from Japan to India increased by 443,030 MT. It appears that the decline in imports from Japan to USA appears to be a significant cause of increase in imports into India from Japan. Similarly, decline in imports into USA from China, Korea, Viet Nam, also appears to have contributed to the increase in imports into India from such countries.

338. As a cumulative effect of the developments mentioned above, imports of PUC from China PR increased by more than 5 times. However, imports of HR Plate Mill Plates and CR Coils and Sheets declined sharply in the POI as compared to FY 2023-24 i.e., no surge as shown in the table below:

(Volume in '000s of MTs)

Particulars	2021-22	2022-23	2023-24	POI	Cumulative Increase
HR Coils and Sheets	55	137	573	790	735
HR Plate Mill Plates	31	85	293	416	385
CR Coils and Sheets	24	21	24	50	26
Metallic Coated Steel	44	34	89	72	28
Colour Coated Steel	74	93	244	288	214
<b>Total</b>	<b>228</b>	<b>370</b>	<b>1,223</b>	<b>1,616</b>	<b>1,388</b>

339. Similarly, imports from Japan recorded a significant surge on a cumulative basis. However, imports of HR Plate Mill Plates declined sharply in the POI as compared to FY 2023-24 i.e., no surge. Further, it has been also noted that there is no surge in the imports of CR Coils and Sheets and Metallic Coated Steel during the POI as compared to 2023-24. The details are provided in the table below:

(Volume in '000s of MTs)

Particulars	2021-22	2022-23	2023-24	POI	Cumulative Increase
HR Coils and Sheets	73	306	593	1,121	1,048
HR Plate Mill Plates	56	59	22	66	10
CR Coils and Sheets	76	92	113	112	36
Metallic Coated Steel	116	94	130	134	18
Colour Coated Steel	7	7	7	9	2
<b>Total</b>	<b>328</b>	<b>558</b>	<b>865</b>	<b>1,442</b>	<b>1,114</b>

340. Imports from Korea RP also increased significantly on a cumulative basis. . However, imports of Colour Coated Steel declined in the POI as compared to FY 2023-24 i.e., no surge.

Further, it has been also noted that there is no surge in the imports of CR Coils and Sheets during the POI as compared to 2023-24. The details are provided in the below table.

(Volume in '000s of MTs)

Particulars	2021-22	2022-23	2023-24	POI	Cumulative Increase
HR Coils and Sheets	866	1052	1295	1353	487
HR Plate Mill Plates	116	104	234	340	224
CR Coils and Sheets	366	441	344	345	-21
Metallic Coated Steel	198	284	385	432	234
Colour Coated Steel	49	59	71	70	21
<b>Total</b>	<b>1,595</b>	<b>1,940</b>	<b>2,329</b>	<b>2,539</b>	<b>945</b>

341. Imports from Vietnam also increased on a cumulative basis in the POI as compared to the base year. However, there is no imports of HR Plate Mill Plates. It has been also noted that there is no increase in the imports of CR Coils and Sheets. Further, it has been noted that the imports of Metallic Coated Steel declined during the POI as compared to 2023-24. The details are provided in the below table.

(Volume in '000s of MTs)

Particulars	2021-22	2022-23	2023-24	POI	Cumulative Increase
HR Coils and Sheets	-	172	582	697	525
HR Plate Mill Plates	-	-	-	-	-
CR Coils and Sheets	-	-	0.12	0.12	0
Metallic Coated Steel	25	50	91	89.87	65
Colour Coated Steel	4	9	8	5	1
<b>Total</b>	<b>29</b>	<b>231</b>	<b>681</b>	<b>792</b>	<b>591</b>

342. The Authority is of the view that there exists sufficient temporal connection between unforeseen developments and the surge in imports mainly in HR Coils and Sheets.

343. The Authority also notes that on 10 February 2025, the USA has announced that it would apply 25% additional duty on steel products with effect from 12 March 2025 uniformly on all imports into the USA from all sources by revoking relaxations and exemptions granted, if any, to various countries. The domestic industry has claimed that consequent to the withdrawal of relaxations and exemptions, more imports are expected to bounce off from those countries and India has become more vulnerable to increased imports. However, it may be difficult to visualize the impact of this development at this stage.

#### J. EFFECT OF OBLIGATIONS UNDER GATT

344. In terms of Article XIX:1 (a) of GATT 1947 the increase in imports shall be ‘of the effect of the obligations incurred by a contracting party under this Agreement, including tariff concessions’. Some guidance may be taken from the Panel or Appellate Body reports on interpreting this text. Firstly, the Appellate Body in Korea-Dairy opined: *“it must be demonstrated, as a matter of fact, that the importing Member has incurred obligations under*

the GATT 1994, including tariff concessions”<sup>43</sup> Secondly, in the report of the Panel in India – Certain Measures On Imports Of Iron And Steel Products<sup>44</sup>, it has been observed as follows:

*“7.87. A WTO Member imposing a safeguard measure must demonstrate the existence of unforeseen developments and the effect of GATT 1994 obligations through reasoned and adequate explanations contained in its published report. These explanations must show that the identified unforeseen developments have resulted in increased imports causing or threatening to cause serious injury to the relevant domestic industry, and that one or more obligations under the GATT 1994 limit the importing Member's ability to prevent or offset the effect resulting from such increased imports.*

*7.89. With respect to the effect of a GATT 1994 obligation, the competent authority's published report must demonstrate that a WTO Member imposing a safeguard measure is subject to an obligation (or obligations) under the GATT 1994 and explain how that obligation constrains its ability to react to the import surge causing injury to its domestic industry.”*

345. As a matter of fact, India has granted tariff concessions pursuant to Article II of GATT 1947. In its schedule of concessions, India has bound the customs duty at 40% for the product under investigation. In so far as the question relating to how the obligations constrain India's ability to react to the import surge causing injury to its domestic industry, the following are relevant:

- a) India is a developing country with legitimate development policy objectives. With these objectives, India's National Steel Policy announced in 2017 aspires to achieve 300 MT of steelmaking capacity by 2030. This would translate into additional investment of Rs. 10 lakh Crore by 2030- 31. The policy seeks to increase consumption of steel and major segments are infrastructure, automobiles and housing. New Steel Policy seeks to increase per capita steel consumption to the level of 160 Kgs by 2030 from existing level of around 60 Kg.
- b) The above stated legitimate developmental policy objectives cannot be achieved if increased imports cause serious injury to the domestic steel industry. Several obligations undertaken by India under GATT 1947 and other WTO Agreements have constrained India's ability to react to import surge. The following Articles under GATT 1947 may be cited as examples:
  - i Article I casts an obligation to grant most favoured nation treatment to every WTO Member restricting India's ability to apply differential rates of customs duty on the imports from a WTO Member if import volume from that country has significantly increased causing serious injury.
  - ii Article XI casts an obligation prohibiting the use of quotas, import or export licenses, or other measures that restrict the quantity of imports or exports and ensures that trade flows remain as unrestricted as possible.
  - iii Article XVI and the SCM Agreement cast obligations to not maintain subsidies

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<sup>43</sup> Appellate Body Report, *Korea – Dairy*, para. 84; Appellate Body Report, *Argentina – Footwear (EC)*, para. 91.

<sup>44</sup> Panel Report, *India – Certain Measures On Imports Of Iron And Steel Products*, para 7.87, 7.89.

that are inconsistent with the principles enumerated therein.

346. The Authority notes the following with reference to these obligations. First, the obligations mentioned above have increased the access to India's steel market for the exporters from other WTO Members. Second, in situations where unforeseen circumstances or a confluence of such factors lead to a surge in imports into the domestic market, these obligations severally as well as collectively limit India's ability to take specific and targeted measures against other members of the WTO responsible for the increased imports.

347. Safeguard measures are intended to address such situations. Safeguard measures are fair-trade measures, unlike Anti-Dumping or Countervailing Measures. They are taken only for the purpose of supporting the domestic industry in times of increased, unfavourable and unforeseen imports that cause or threat of serious injury to the domestic industry from which it becomes highly difficult or even impossible to recover.

348. In these instances, obligations within the WTO framework are suspended to protect domestic industries which could prove to be highly competitive and efficient in the future with the help of some interim interventions and ultimately benefit global trade by preserving industries that can compete at the global level.

349. While it is noted that the applied tariff on the product under consideration is significantly less than the bound rate, the Authority holds that safeguard measure provides an appropriate tool as an interim mechanism with concomitant discipline to address the situation under investigation which a general purpose duty enhancement might not be able to achieve as effectively.

350. In view of the above, the Authority holds that as a result of unforeseen developments and of the effects of obligations incurred under GATT 1947, including tariff concessions, the product under consideration is being imported into India in increased quantities

#### **K. SERIOUS INJURY AND/OR THREAT OF SERIOUS INJURY**

351. Rule 8(i) of the Safeguard Rules states that in the investigation to determine whether increased imports have caused or are threatening to cause serious injury to a domestic industry, the Director General shall evaluate all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry, in particular, the rate and amount of the increase in imports of the article concerned in absolute and relative terms, the share of the domestic market taken by increased imports, changes in the level of sales, production, productivity, capacity utilization, profits and losses, and employment. Accordingly, the injury parameters specified in the rules are examined hereinbelow.

##### **i Rate and amount of increase in imports in absolute and relative terms:**

352. As already stated, (a) there was a significant increase in the volume of imports in absolute and relative terms, (b) volume of imports increased at a significantly high rate in absolute and percentage terms, and (c) the increase in import volume was recent, sudden, sharp and significant.

##### **ii Share of Domestic market taken by increased imports**

353. As already stated, changes in the market share of imports are tabulated below:

Product	UOM	2021-22	2022-23	2023-24	POI
HR Steel Flat Products	%	***	***	***	***
	Trend	100	134	194	244
CR Coils and Sheets	%	***	***	***	***
	Trend	100	143	120	110
Metallic Coated Steel	%	***	***	***	***
	Trend	100	121	152	144
Colour Coated Steel	%	***	***	***	***
	Trend	100	118	204	225
For the PUC as a whole	%	***	***	***	***
	Trend	100	134	180	208

354. The imports took away [\*\*\*]% of the share of domestic industry for the PUC as a whole during the injury analysis period as shown in the table above. Market share of imports increased by [\*\*\*]% for HR Steel flat products, by [\*\*\*]% for CR coils and sheets, [\*\*\*]% for Metallic Coated Steel and [\*\*\*]% for colour coated steel during the same period.

### iii Changes in level of sales

355. The sales volumes of the domestic industry for the product as a whole increased by [\*\*\*]% during injury analysis period. While it increased by [\*\*\*]% during 2022-23, and a further [\*\*\*]% during 2023-24 and [\*\*\*]% during the POI as may be seen from the table below.

'000s of MT				
Particulars	2021-22	2022-23	2023-24	POI
HR Coils and Sheets	***	***	***	***
HR Plate Mill Plates	***	***	***	***
CR Coils and Sheets	***	***	***	***
Metallic Coated Steel	***	***	***	***
Colour Coated Steel	***	***	***	***
PUC as whole	***	***	***	***
Trend				
HR Coils and Sheets	100	127	142	140
HR Plate Mill Plates	100	106	107	105
CR Coils and Sheets	100	116	126	127
Metallic Coated Steel	100	130	141	156
Colour Coated Steel	100	117	118	117
PUC as whole	100	122	132	133

356. In so far as the five categories are concerned, sales of HR Coils and sheets increased by [\*\*\*]%, HR Plate Mill Plates by [\*\*\*]%, and CR coils and sheets by [\*\*\*]%. Metallic Coated by [\*\*\*]% and colour coated by [\*\*\*]% during the POI compared to the base year. However, there was a decline of [\*\*\*]% in HR Coils and Sheets, [\*\*\*]% in HR Plate Mill Plates, [\*\*\*]% in Colour Coated Steel during the POI compared to 2023-24



#### iv Changes in capacity, production and capacity utilisation

357. PUC as a whole: The capacity of the domestic industry for the PUC as a whole increased from [\*\*\*] MMT during FY 2021-22 to [\*\*\*] MMT during the POI, recording an increase of [\*\*\*] MMT. During the same period, production increased by [\*\*\*] MMT, and capacity utilization came down by [\*\*\*]%. While production increased during the two financial years preceding the POI, production declined during the POI. The production was [\*\*\*] MMT during 2023-24, and it declined to [\*\*\*] MMT during the POI. The unutilized capacity, which was [\*\*\*] MMT during FY 2021-22 increased to [\*\*\*] MMT during the POI. The unutilized capacity as at the end of the POI for the product as a whole is more than sufficient to cover the entire import volume of [\*\*\*] MMT during the POI.

Particulars	Units	FY 2021-22	FY 2022-23	FY 2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	114	118	117
Production (PUC+NPUC)	'000 MT	***	***	***	***
	Trend	100	107	116	115
Capacity Utilisation	%	***	***	***	***
	Trend	100	94	98	98
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	152	130	127

358. HR Coils and sheets: The capacity increased from [\*\*\*] MMT during 2021-22 to [\*\*\*] MMT during the POI, recording an increase of [\*\*\*] MMT during the period. Production increased from [\*\*\*] MMT during 2021-22 to [\*\*\*] MMT during the POI. While production increased during the two financial years preceding the POI over the corresponding previous years, production declined during the POI. The capacity utilization increased by [\*\*\*]% and the unutilized capacity declined by [\*\*\*] MMT during the period. However, the unutilized capacity of [\*\*\*] MMT is sufficient to meet more than [\*\*\*]% of imports of HR coils and sheets. It is also noted that actual production included both PUC and non-PUC as the plants would produce both PUC and non-PUC. However, non-PUC accounted for less than [\*\*\*]% of the total production and was insignificant.

Particulars	Units	2021-22	2022-23	2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	115	117	113
Production (PUC+NPUC)	'000 MT	***	***	***	***
	Trend	100	110	119	117
Capacity Utilisation	%	***	***	***	***
	Trend	100	96	102	103
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	149	102	89

359. HR Plate Mill Plates: There was no increase in the capacity of the domestic industry for producing HR Plate Mill Plates during the injury analysis period. Production increased from [\*\*\*] MMT during 2021-22 to [\*\*\*] MMT during POI. Production increased every year compared to the corresponding previous year during the injury analysis period. The capacity utilization increased by [\*\*\*]% during the injury analysis period. The unutilized capacity of

[1.139] MMT was significantly higher than the import of [0.892] MMT during the POI.

Particulars	Units	2021-22	2022-23	2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	100	100	100
Production	'000 MT	***	***	***	***
	Trend	100	103	106	103
Capacity Utilisation	%	***	***	***	***
	Trend	100	103	106	103
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	85	75	88

360. CR Coils and Sheets: Capacity increased from [\*\*\*] MMT during 2021-22 to [\*\*\*] MMT during the POI, recording an increase of [\*\*\*] MMT. As against such an increase in capacity, production increased by [\*\*\*] MMT only during the said period. Production increased every year compared to the corresponding previous year during the injury analysis period. The unutilized capacity was [\*\*\*] MMT against total import of [\*\*\*] MMT during the POI. The unutilized capacity was more than [\*\*\*] times the import volume, indicating significant underutilization of capacity.

Particulars	Units	2021-22	2022-23	2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	119	127	127
Production	'000 MT	***	***	***	***
	Trend	100	104	111	114
Capacity Utilisation	%	***	***	***	***
	Trend	100	87	88	90
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	183	190	179

361. Metallic Coated Steel: Capacity increased from [\*\*\*] MMT during 2021-22 to [\*\*\*] MMT during the POI. During the same period, while actual production increased from [\*\*\*] MMT to [\*\*\*] MMT, capacity utilization declined by [\*\*\*]%. Production increased every year compared to the corresponding previous year during the injury analysis period. The unutilized capacity of [\*\*\*] MMT was more than twice the volume of imports during the POI.

Particulars	Units	2021-22	2022-23	2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	116	120	126
Production	'000 MT	***	***	***	***
	Trend	100	105	116	119
Capacity Utilisation	%	***	***	***	***
	Trend	100	91	96	95
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	166	142	157

362. Colour Coated Steel: Capacity increased from [\*\*\*] MMT during 2021-22 to [\*\*\*] MMT during the POI. During the same period, production increased from [2.008] MMT to [\*\*\*] MMT, and the capacity utilization declined steeply from [\*\*\*]% to [\*\*\*]%. Production

increased every year compared to the corresponding previous year during the injury analysis period. The unutilized capacity of [\*\*\*] MMT was [\*\*\*] times that of imports during the POI.

Particulars	Units	2021-22	2022-23	2023-24	POI
Capacity	'000 MT	***	***	***	***
	Trend	100	120	132	135
Production	'000 MT	***	***	***	***
	Trend	100	109	117	113
Capacity Utilisation	%	***	***	***	***
	Trend	100	90	89	84
Unutilised Capacity	'000 MT	***	***	***	***
	Trend	100	172	198	231

**v Gross Production, captive consumption and production net of captive consumption**

363. The gross production of the domestic industry increased during the injury analysis period as shown in the table below:

Particulars	Units	2021-22	2022-23	2023-24	POI
HR coils, sheets and plates	'000 MT	***	***	***	***
	Trend	100	110	119	117
HR Plate Mill Plates	'000 MT	***	***	***	***
	Trend	100	103	106	103
CR coils and sheets	'000 MT	***	***	***	***
	Trend	100	104	111	114
Metallic Coated Steel	'000 MT	***	***	***	***
	Trend	100	105	116	119
Colour Coated Steel	'000 MT	***	***	***	***
	Trend	100	109	117	113
<b>Total</b>	<b>'000 MT</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
	<b>Trend</b>	<b>100</b>	<b>107</b>	<b>116</b>	<b>115</b>

364. The captive consumption by the domestic industry was as follows:

Particulars	Units	2021-22	2022-23	2023-24	POI
HR coils, sheets and plates	'000 MT	***	***	***	***
	Trend	100	104	105	106
HR Plate Mill Plates	'000 MT	***	***	***	***
	Trend	100	128	118	89
CR coils and sheets	'000 MT	***	***	***	***
	Trend	100	106	112	116
Metallic Coated Steel	'000 MT	***	***	***	***
	Trend	100	104	109	106
Colour Coated Steel	'000 MT	***	***	***	***
	Trend	100	120	65	41
<b>Total</b>	<b>'000 MT</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
	<b>Trend</b>	<b>100</b>	<b>105</b>	<b>108</b>	<b>109</b>

365. Production net of captive consumption is as follows:

Particulars	Units	2021-22	2022-23	2023-24	POI
HR coils, sheets and plates	'000 MT	***	***	***	***
	Trend	100	112	126	122
HR Plate Mill Plates	'000 MT	***	***	***	***
	Trend	100	103	105	103
CR coils and sheets	'000 MT	***	***	***	***
	Trend	100	100	110	111
Metallic Coated Steel	'000 MT	***	***	***	***
	Trend	100	106	120	127
Colour Coated Steel	'000 MT	***	***	***	***
	Trend	100	108	118	114
<b>Total</b>	<b>'000 MT</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
	<b>Trend</b>	<b>100</b>	<b>108</b>	<b>119</b>	<b>118</b>

366. For the PUC as a whole and for the five product categories individually, gross production increased during the injury analysis period, but the unutilized capacity also increased significantly, indicating the vulnerability of the domestic industry to increasing import volumes. The production net of captive consumption increased during 2022-23 and 2023-24 but declined by [\*\*\*] MMT during the POI.

#### vi Productivity

367. For the PUC as a whole: Due to a decline in the production volume of HR Coils and sheets during the POI as compared to FY 2023-24, productivity per day recorded a decline during the same period, though productivity per day per employee remained constant. Productivity per employee increased during the injury analysis period indicating that productivity was not a cause of injury to the domestic industry.

Particulars	Units	2021-22	2022-23	2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	107	116	115
Productivity per employee	MT	***	***	***	***
	Trend	100	97	107	108
Productivity per day per employee	MT	***	***	***	***
	Trend	100	100	100	100

368. HR Coils and sheets: Similar to the PUC as a whole, production of HR Coils and sheets declined during the POI as compared to 2022-23 and consequently led to a decline in volume of production per day and production per employee during the POI. However, the productivity per day per employee did not suffer. It increased during 2023-24 and remained at the increased level during the POI.

Particulars	Units	2021-22	2022-23	2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	110	119	117
Productivity per employee	MT	***	***	***	***
	Trend	100	101	113	112
Productivity per day per	MT	***	***	***	***

Particulars	Units	2021-22	2022-23	2023-24	POI
employee	Trend	100	100	113	113

369. HR Plate Mill Plates: Productivity per day increased during 2022-23 and 2023-24 compared to the corresponding previous years. However, as the production during POI declined compared to 2023-24, productivity per day also declined during POI. Productivity per employee marginally declined in 2022-23 but increased significantly during 2023-24, and during the POI. Productivity per day per employee remained constant throughout the injury analysis period.

Particulars	Units	2021-22	2022-23	2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	103	106	103
Productivity per employee	MT	***	***	***	***
	Trend	100	99	113	116
Productivity per day per employee	MT	***	***	***	***
	Trend	100	100	100	100

370. CR Coils and sheets: Productivity per day increased every year and the POI during the injury analysis period. Productivity per employee declined in 2022-23 compared to 2021-22 but increased thereafter. Productivity per day per employee was [\*\*\*] MT during 2021-22 but remained at [\*\*\*] MT thereafter.

Particulars	Units	2021-22	2022-23	2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	104	111	114
Productivity per employee	MT	***	***	***	***
	Trend	100	82	86	87
Productivity per day per employee	MT	***	***	***	***
	Trend	100	87	87	87

371. Metallic Coated Steel Productivity per day increased every year during the entire injury analysis period. Productivity per employee declined during 2022-23 compared to 2021-22, but increased thereafter. Productivity per day per employee remained at [\*\*\*] MT during the injury analysis period except during 2022-23 when it was [\*\*\*] MT.

Particulars	Units	2021-22	2022-23	2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	105	116	119
Productivity per employee	MT	***	***	***	***
	Trend	100	90	95	100
Productivity per day per employee	MT	***	***	***	***
	Trend	100	90	100	100

372. Colour Coated Steel: Productivity per day increased during 2022-23 and 2023-24 compared to the corresponding previous years. However, it declined during the POI due to the decline in the volume of production. While productivity per employee increased through the injury period, productivity per day per employee remained at [\*\*\*] MT during the first two

years and at [\*\*\*] MT during 2023-24 and the POI.

Particulars	Units	2021-22	2022-23	2023-24	POI
Productivity per day	MT	***	***	***	***
	Trend	100	108	117	113
Productivity per employee	MT	***	***	***	***
	Trend	100	108	124	125
Productivity per day per employee	MT	***	***	***	***
	Trend	100	108	124	125

373. The Authority considers that changes in productivity per day is reflective of the changes in the volume of production. As the volume of production declined during the POI as compared to the FY 2023-24, productivity per day also declined. There is no significant change in the productivity per employee or productivity per day per employee. Thus, the Authority holds that decline in productivity did not cause any serious injury to the domestic industry.

#### vii Changes in inventory levels

374. PUC as a whole: Average inventory of the PUC as a whole almost doubled as it increased from [\*\*\*] MMT during 2021-22 to [\*\*\*] MMT during the POI. The trend was similar in terms of number of days of production as well as sales.

Particulars	Units	2021-22	2022-23	2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	133	180	203
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	125	163	188
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	123	146	169

375. HR Coils and sheets: Average inventory of HR Coils and sheets increased from [\*\*\*] MMT during 2021-22 to [\*\*\*] MMT during the POI. During the same period, average inventory as number of days production increased from [\*\*\*] days to [\*\*\*] days, and as number of days of sales, it increased from [\*\*\*] days to [\*\*\*] days.

Particulars	Units	2021-22	2022-23	2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	134	182	195
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	122	152	167
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	120	145	162

376. HR Plate Mill Plates: Average inventory increased to [\*\*\*] times during the POI compared to 2021-22. In terms of no. of days of production, it increased by [\*\*\*] days, and in terms of no. of days of sales, it increased by [\*\*\*] days.

Particulars	Units	2021-22	2022-23	2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	122	198	262
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	118	188	255
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	121	196	268

377. CR Coils and sheets: Average inventory of CR Coils and sheets increased from [\*\*\*] MMT during 2021-22 to [\*\*\*] MMT during the POI. During the same period, both in terms of no. of days of production and sales, it recorded a significant increase.

Particulars	Units	2021-22	2022-23	2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	135	160	158
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	130	144	139
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	135	143	142

378. Metallic Coated Steel: Average inventory increased from [\*\*\*] MMT during 2021-22 to [\*\*\*] MMT during the POI. In terms of no. of days of production, it increased by [\*\*\*] days and in terms of no. of days of sales, it increased by [\*\*\*] days.

Particulars	Units	2021-22	2022-23	2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	135	174	204
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	128	150	171
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	130	145	161

379. Colour Coated Steel: Average inventory increased from [\*\*\*] MMT during 2021-22 to [\*\*\*] MMT during the POI. In terms of no. of days of production, it increased from [\*\*\*] days to [\*\*\*] days, and in terms of no. of days of sales, it increased from [\*\*\*] days to [\*\*\*] days during the injury analysis period.

Particulars	Units	2021-22	2022-23	2023-24	POI
Average Inventory	MMT	***	***	***	***
	Trend	100	141	192	238
Average Inventory as no. of days of production	Days	***	***	***	***
	Trend	100	130	164	210
Average Inventory as no. of days of Sales	Days	***	***	***	***
	Trend	100	136	164	213

380. Average inventory of the PUC as a whole and each of the five categories thereof have increased significantly during the injury analysis period.

#### viii Changes in Profits and losses

381. For PUC as a whole: The Profit Before Tax (“PBT”) declined from Rs.[ \*\*\*] crores during 2021-22 to Rs.[ \*\*\*] crores during 2022-23, recording a year-on-year decline of [\*\*\*]%. It increased during 2023-24 but declined again during the POI. PBT during the POI was only [\*\*\*]% of the PBT achieved during the base year 2021-22. PBIT and cash profit also follow a similar trend. PBT per MT, PBIT per MT and cash profit per MT declined by [\*\*\*]%, [\*\*\*]% and [\*\*\*]% respectively during the POI compared to the base year 2021-22.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	***	***	***
PBIT	Rs. In crores	***	***	***	***
Cash Profit	Rs. In crores	***	***	***	***
Profit Before Tax	Rs. PMT	***	***	***	***
PBIT	Rs. PMT	***	***	***	***
Cash Profit	Rs. PMT	***	***	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	7	35	24
PBIT	Trend Actual	100	25	50	41
Cash Profit	Trend Actual	100	20	47	38
Profit Before Tax	Trend PMT	100	6	27	18
PBIT	Trend PMT	100	21	38	31
Cash Profit	Trend PMT	100	16	35	29

382. HR Coils and sheets: PBT on HR coils and sheets declined from Rs.[ \*\*\*] crores during 2021-22 to Rs.[ \*\*\*] crores during the POI, recording a decline of [\*\*\*]%. PBT declined during 2022-23 by [\*\*\*]% compared to 2021-22. It increased during 2023-24, but declined again during the POI. The trend in cash profits was also similar. PBT per MT reduced from Rs.[ \*\*\*] during 2021-22 to Rs. [\*\*\*] during the POI, a decline of [\*\*\*]%.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	***	***	***
PBIT	Rs. In crores	***	***	***	***
Cash Profit	Rs. In crores	***	***	***	***
Profit Before Tax	Rs. PMT	***	***	***	***
PBIT	Rs. PMT	***	***	***	***
Cash Profit	Rs. PMT	***	***	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	11	38	22
PBIT	Trend Actual	100	29	54	42
Cash Profit	Trend Actual	100	25	50	37
Profit Before Tax	Trend PMT	100	9	26	16
PBIT	Trend PMT	100	23	38	30
Cash Profit	Trend PMT	100	20	35	27

383. HR Plate Mill Plates: PBT declined from Rs.[ \*\*\*] crores during 2021-22 to Rs.[ \*\*\*] during the POI, a decline of [\*\*\*]%. During the same period, PBIT declined by [\*\*\*]% and cash profits by [\*\*\*]%. PBT per MT, PBIT per MT and cash profit per MT also showed a similar trend. PBIT per MT declined from Rs.[ \*\*\*] PMT during 2021-22 to Rs.[ \*\*\*] PMT



during the POI.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	***	***	***
PBIT	Rs. In crores	***	***	***	***
Cash Profit	Rs. In crores	***	***	***	***
Profit Before Tax	Rs. PMT	***	***	***	***
PBIT	Rs. PMT	***	***	***	***
Cash Profit	Rs. PMT	***	***	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	25	53	53
PBIT	Trend Actual	100	37	61	59
Cash Profit	Trend Actual	100	37	62	63
Profit Before Tax	Trend PMT	100	24	50	51
PBIT	Trend PMT	100	35	57	56
Cash Profit	Trend PMT	100	35	58	60

384. CR Coils and sheets: PBT declined from Rs.[ \*\*\*] crores during 2021-22 to Rs.[ \*\*\*] crores during the POI recording a steep decline of [\*\*\*]%. During the same period, PBIT declined by [\*\*\*]% and cash profits by [\*\*\*]%. PBT per MT, PBIT per MT and cash profit per MT also showed a similar trend. PBIT per MT declined from Rs.[ \*\*\*] PMT during 2021-22 to a paltry Rs.[ \*\*\*] PMT during the POI, showing a decline of [\*\*\*]%.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	***	***	***
PBIT	Rs. In crores	***	***	***	***
Cash Profit	Rs. In crores	***	***	***	***
Profit Before Tax	Rs. PMT	***	***	***	***
PBIT	Rs. PMT	***	***	***	***
Cash Profit	Rs. PMT	***	***	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	0	15	9
PBIT	Trend Actual	100	17	30	26
Cash Profit	Trend Actual	100	12	28	22
Profit Before Tax	Trend PMT	100	0	12	7
PBIT	Trend PMT	100	14	24	20
Cash Profit	Trend PMT	100	11	22	17

385. Metallic Coated Steel: PBT was Rs.[ \*\*\*] crores during 2021-22. It turned into a loss of Rs.[ \*\*\*] crores during 2022-23. PBT improved to slightly above the breakeven level by reaching a profit of Rs.[ \*\*\*] crores during 2023-24 but turned again into a loss of Rs.[ \*\*\*] crores during the POI. On a per MT basis, PBT declined from a profit of Rs.[ \*\*\*] PMT during 2021-22 to a loss of Rs. [\*\*\*] during the POI, showing a decline of [\*\*\*]%.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	(***)	***	(***)

Particulars	Units	2021-22	2022-23	2023-24	POI
PBIT	Rs. In crores	***	(***)	***	***
Cash Profit	Rs. In crores	***	(***)	***	***
Profit Before Tax	Rs. PMT	***	(***)	***	(***)
PBIT	Rs. PMT	***	(***)	***	***
Cash Profit	Rs. PMT	***	(***)	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	(54)	3	(2)
PBIT	Trend Actual	100	(19)	24	22
Cash Profit	Trend Actual	100	(40)	14	11
Profit Before Tax	Trend PMT	100	(41)	2	(1)
PBIT	Trend PMT	100	(15)	17	14
Cash Profit	Trend PMT	100	(31)	10	7

386. Colour Coated Steel: PBT declined from Rs. [\*\*\*] crores during 2021-22 to Rs. [\*\*\*] crores during the POI recording a steep decline of [\*\*\*]%. During the same period, PBIT declined by [\*\*\*]% and cash profits by [\*\*\*]%. PBT per MT, PBIT per MT and cash profit per MT also showed a similar trend. PBIT per MT declined from Rs. [\*\*\*] PMT during 2021-22 to Rs. [\*\*\*] PMT during the POI, showing a decline of [\*\*\*]%.

Particulars	Units	2021-22	2022-23	2023-24	POI
<b>Actual</b>					
Profit Before Tax	Rs. In crores	***	***	***	***
PBIT	Rs. In crores	***	***	***	***
Cash Profit	Rs. In crores	***	***	***	***
Profit Before Tax	Rs. PMT	***	***	***	***
PBIT	Rs. PMT	***	***	***	***
Cash Profit	Rs. PMT	***	***	***	***
<b>Trend</b>					
Profit Before Tax	Trend Actual	100	8	49	34
PBIT	Trend Actual	100	32	61	47
Cash Profit	Trend Actual	100	15	54	43
Profit Before Tax	Trend PMT	100	7	41	29
PBIT	Trend PMT	100	27	52	40
Cash Profit	Trend PMT	100	13	46	37

387. The profitability of the domestic industry declined during 2022-23 compared to 2021-22. It increased marginally during 2023-24 but declined again during the POI. Compared to the base year, profitability during the POI stands eroded significantly. This shows that the financial position of the domestic industry is highly fragile and vulnerable.

#### ix Changes in employment

388. From a level of [\*\*\*] employees during 2021-22, the number of employees increased to [\*\*\*] during 2022-23. The industry suffered significant losses during 2022-23. As one of the measures to reduce costs, the number of employees was reduced to [\*\*\*] in 2023-24 and further to [\*\*\*] during the POI. However, the number of employees during the POI was [\*\*\*]% higher compared to 2021-22.

Particulars	2021-22	2022-23	2023-24	POI
<b>Actual</b>				
HR Coils and Sheets	***	***	***	***
HR Plate Mill Plates	***	***	***	***
CR Coils and Sheets	***	***	***	***
Metallic Coated Steel	***	***	***	***
Colour Coated Steel	***	***	***	***
<b>PUC as whole</b>	***	***	***	***
<b>Trend</b>				
HR Coils and Sheets	100	109	106	105
HR Plate Mill Plates	100	104	93	89
CR Coils and Sheets	100	127	129	131
Metallic Coated Steel	100	117	121	119
Colour Coated Steel	100	100	95	91
<b>PUC as whole</b>	100	111	108	106

#### **x Conclusions on serious injury**

389. The factual position examined above regarding injury parameters relating to may be summarized as follows:

- a. Imports have increased significantly in absolute terms, in relation to domestic production, and in relation to demand for the PUC in India.
- b. The imports have increased as a result of unforeseen circumstances and as the effect of obligations incurred under GATT 1947.
- c. The increase in imports was recent, sudden, sharp and significant.
- d. Market share of imports have increased from [\*\*\*]% during 2021-22 to [\*\*\*]% during the POI. During the same period, market share of the domestic industry declined by [\*\*\*]%.
- e. Sales volumes of the domestic industry for the PUC increased by [\*\*\*]% during injury analysis period. While it increased by [\*\*\*]% during 2022-23, and a further [\*\*\*]% during 2023-24, and [\*\*\*]% during the POI, which is the most recent period.
- f. Capacity and actual production increased significantly during the injury analysis period. However, volume of production declined by [\*\*\*] MMT ([\*\*\*]%) during POI as compared to 2023 - 24.
- g. Unutilized capacity of the domestic industry increased to [\*\*\*] MMT during the POI, which accounted for [\*\*\*]% of the capacity.
- h. Productivity per day and productivity per employee increased during the injury analysis period. Productivity per day per employee remained unaffected.
- i. Average inventory levels increased significantly both in absolute terms, and in terms of number of days of production or sales.
- j. Profitability of the domestic industry declined significantly. PBT in absolute terms declined by [\*\*\*]% during POI compared to the base year 2021-22. PBT per MT declined by [\*\*\*]% during the same period. Consequential decline in PBIT and Cash Profits was also observed.
- k. The profitability of the domestic industry declined during 2022-23 compared to 2021-22. It increased marginally during 2023-24 but declined again during the POI. Compared to the base year, profitability during the POI stands eroded significantly.

This shows that the financial position of the domestic industry is highly fragile and vulnerable.

1. No. of employees increased by [\*\*\*]% during 2022-23 over 2021-22 and reached [\*\*\*]. As the domestic industry suffered significant losses during 2022-23, as one of the measures to reduce costs, the number of employees was reduced to [\*\*\*] in 2023-24 and further to [\*\*\*] during the POI. However, the number of employees during the POI was [\*\*\*]% higher compared to the base year 2021-22.

**L. CAUSAL LINK BETWEEN INCREASED IMPORT AND SERIOUS INJURY OR THREAT OF SERIOUS INJURY:**

390. The WTO Panel on *Korea-Dairy*<sup>15</sup> set forth the basic approach for determining “causation”, as follows:

*“In performing its causal link assessment, it is our view that the national authority needs to analyse and determine whether developments in the industry, considered by the national authority to demonstrate serious injury, have been caused by the increased imports. In its causation assessment, the national authority is obliged to evaluate all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry. In addition, if the national authority has identified factors other than increased imports which have caused injury to the Domestic Industry, it shall ensure that any injury caused by such factors is not considered to have been caused by the increased imports. To establish a causal link, Korea has to demonstrate that the injury to its Domestic Industry results from increased imports. In other words, Korea has to demonstrate that the imports of SMPP cause injury to the Domestic Industry producing milk powder and raw milk. In addition, having analyzed the situation of the Domestic Industry, the Korean authority has the obligation not to attribute to the increased imports any injury caused by other factors.”*

391. While the import volume increased, import prices declined during the injury analysis period. A significant volume of imports undercut the prices of the domestic industry as noted below.

392. HR Coils and Sheets: During the POI, the weighted average price of all imports of HR coils and sheets was Rs. [\*\*\*] PMT. Compared to the domestic selling price of Rs. [\*\*\*] PMT, price undercutting on an overall basis was [\*\*\*]%.

393. The weighted average import prices of imports declined from Rs. [\*\*\*] PMT during 2021-22 to Rs. [\*\*\*] PMT during the POI. The domestic selling prices declined from Rs. [\*\*\*] PMT to Rs. [\*\*\*] PMT during the same period. The volume of imports that undercut the prices of the domestic industry was just [\*\*\*]% during 2021-22. It increased to [\*\*\*]%, [\*\*\*]% and [\*\*\*]% during the subsequent periods. During the POI, of the total imports of [\*\*\*] MMT, over [\*\*\*]% of the imports ([\*\*\*] MMT) undercut the prices of the domestic industry. The undercutting percentage was [\*\*\*]% during the POI.

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	000' MT	995	1,926	3,081	3,973
Undercutting imports volume	000' MT	***	***	***	***

Particulars	UOM	2021-22	2022-23	2023-24	POI
	Trend	100	285	595	809
Undercutting volume %	%	***	***	***	***
	Trend	100	149	192	203
<b>Import Prices</b>					
Value of undercutting volume	Rs. In crores	***	***	***	***
	Trend	100	253	548	721
Import Price of undercutting volume	INR/MT	***	***	***	***
	Trend	100	89	92	89
Domestic Selling Price	INR/MT	***	***	***	***
	Trend	100	92	87	84
Price Undercutting	INR/MT	***	***	***	***
	Trend	100	110	54	48
Price Undercutting %	%	***	***	***	***
	Trend	100	120	60	53

394. HR Plate Mill Plates: On all imports taken together, there was no price undercutting. However, of the total imports volume of [\*\*\*] MMT during the POI, more than [\*\*\*]% i.e. [\*\*\*] MMT of HR Plate Mill Plates undercut the prices of the domestic industry by [\*\*\*]% as shown in the table below.

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	‘000 MT	302	312	619	892
Undercutting imports volume	‘000 MT	***	***	***	***
	Trend	100	62	671	682
Undercutting volume %	%	***	***	***	***
	Trend	100	60	327	227
<b>Import Prices</b>					
Value of Undercutting volume	Rs. In crores	***	***	***	***
	Trend	100	59	663	669
Import Price of Undercutting volume	INR/MT	***	***	***	***
	Trend	100	94	99	99
Domestic Selling Price	INR/MT	***	***	***	***
	Trend	100	101	98	94
Price Undercutting	INR/MT	***	***	***	***
	Trend	100	161	89	52
Price Undercutting %	%	***	***	***	***
	Trend	100	175	92	50

395. CR Coils and sheets: On all imports taken together, there was no price undercutting. Of the total imports of [\*\*\*] MMT during POI, [\*\*\*] MMT (accounting for [\*\*\*]%) undercut the prices of the domestic industry by [\*\*\*]% as shown in the table below:

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	‘000 MT	473	578	515	541
Undercutting imports volume	‘000 MT	***	***	***	***
	Trend	100	39	62	77
Undercutting volume %	%	***	***	***	***
	Trend	100	32	56	66
<b>Import Prices</b>					
Value of Undercutting volume	Rs. In crores	***	***	***	***
	Trend	100	36	54	66
Import Price of Undercutting volume	INR/MT	***	***	***	***
	Trend	100	92	86	86
Domestic Selling Price	INR/MT	***	***	***	***
	Trend	100	93	86	84
Price Undercutting	INR/MT	***	***	***	***
	Trend	100	101	82	75
Price Undercutting %	%	***	***	***	***
	Trend	100	106	94	88

396. Metallic Coated Steel: On all imports taken together, there was no price undercutting. Of the total imports of [\*\*\*] MMT during POI, [\*\*\*] MMT (accounting for [\*\*\*]%) undercut the prices of the domestic industry by [\*\*\*]% as shown in the table below:

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	‘000 MT	381	518	762	803
Undercutting imports volume	‘000 MT	***	***	***	***
	Trend	100	69	170	143
Undercutting volume %	%	***	***	***	***
	Trend	100	50	84	67
<b>Import Prices</b>					
Value of Undercutting volume	Rs. In crores	***	***	***	***
	Trend	100	62	154	126
Import Price of Undercutting volume	INR/MT	***	***	***	***
	Trend	100	89	91	88
Domestic Selling Price	INR/MT	***	***	***	***
	Trend	100	89	86	82
Price Undercutting	INR/MT	***	***	***	***
	Trend	100	89	62	55
Price Undercutting %	%	***	***	***	***
	Trend	100	100	68	64

397. Colour Coated Steel: On all imports taken together, there was no price undercutting. Of the total imports of \*\*\*MMT during POI, [\*\*\*] MMT (accounting for [\*\*\*]%)

undercut the prices of the domestic industry by [\*\*\*]% as shown in the table below:

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	‘000 MT	142	190	366	404
Undercutting imports volume	‘000 MT	***	***	***	***
	Trend	100	157	400	439
Undercutting volume %	%	***	***	***	***
	Trend	100	116	155	153
<b>Import Prices</b>					
Value of Undercutting volume	Rs. In crores	***	***	***	***
	Trend	100	151	368	390
Import Price of Undercutting volume	INR/MT	***	***	***	***
	Trend	100	97	93	89
Domestic Selling Price	INR/MT	***	***	***	***
	Trend	100	94	90	87
Price Undercutting	INR/MT	***	***	***	***
	Trend	100	87	85	80
Price Undercutting %	%	***	***	***	***
	Trend	100	90	90	90

398. For the PUC as a whole, total volume of imports and the undercutting volume thereof are tabulated below:

Particulars	UOM	2021-22	2022-23	2023-24	POI
<b>Import Volume</b>					
Total imports volume	MMT	2,293	3,524	5,344	6,612
Undercutting imports volume	MMT	***	***	***	***
	Trend	100	146	335	414
Undercutting volume %	%	***	***	***	***
	Trend	100	95	143	143

399. The import volumes undercutting the domestic selling prices accounted for [\*\*\*]% of total imports during 2021-22 and 2022-23. It increased significantly to [\*\*\*]% during 2023-24 and the POI. In response to the entry of a large volume of imports undercutting the domestic selling prices, the domestic industry had to reduce its prices significantly to remain in the market and to prevent further increase in imports at undercutting prices.

a. Price Depression:

400. The Domestic Selling Price (“DSP”) for HR Coils and sheets was depressed by [\*\*\*]% during the POI compared to 2021-22. During the same period, DSP of HR Plate Mill Plates was depressed by [\*\*\*]%, CR Coils and sheets by [\*\*\*]%, Metallic Coated Steel by [\*\*\*]% and Colour Coated steel by [\*\*\*]%. DSP was lower on a year-on-year basis for each of the five categories every year during the injury analysis period except one instance when the DSP of HR Plate Mills Plate increased by just [\*\*\*]% during 2022-23

over 2021-22. Thus, price depression was significant and was present throughout the injury analysis period.

(INR per MT)

Particulars	2021-22	2022-23	2023-24	POI
<b>Actual</b>				
HR Coils and Sheets	***	***	***	***
HR Plate Mill Plates	***	***	***	***
CR Coils and Sheets	***	***	***	***
Metallic Coated Steel	***	***	***	***
Colour Coated Steel	***	***	***	***
<b>Trend</b>				
HR Coils and Sheets	100	92	87	84
HR Plate Mill Plates	100	101	98	94
CR Coils and Sheets	100	93	86	84
Metallic Coated Steel	100	89	86	82
Colour Coated Steel	100	94	90	87

b. Price Suppression:

401. HR Coils and sheets: For the injury analysis period, domestic selling prices declined by Rs.[ \*\*\*] PMT and the cost of sales increased by Rs.[ \*\*\*] PMT leading to a cumulative price suppression of Rs.[ \*\*\*] PMT as shown in the table below.

Particulars	UOM	2021-22	2022-23	2023-24	POI	Cumulative Change
Domestic Selling Price	INR/MT	***	***	***	***	
	Trend	100	92	87	84	
Increase/(Decrease) in Price	INR/MT		(***)	(***)	(***)	(***)
	Trend		100	55	41	
Cost of Sales	INR/MT	***	***	***	***	
	Trend	100	117	106	104	
Increase/(Decrease) in Cost of Sales	INR/MT		***	(***)	(***)	***
	Trend		100	-67	-7	
Price Suppression	INR/MT		***	(***)	***	***
	Trend		100	-19	12	

402. HR Plate Mill Plates: During the injury analysis period, domestic selling prices declined by Rs. [\*\*\*] PMT and the cost of sales increased by Rs. [\*\*\*] PMT leading to a cumulative price suppression of Rs. [\*\*\*] PMT as shown in the table below.

Particulars	UOM	2021-22	2022-23	2023-24	POI	Cumulative Change
Domestic Selling Price	INR/MT	***	***	***	***	
	Trend	100	101	98	94	
Increase/(Decrease) in Price	INR/MT		***	(***)	(***)	(***)
	Trend		100	-213	-312	



Particulars	UOM	2021-22	2022-23	2023-24	POI	Cumulative Change
Cost of Sales	INR/MT	***	***	***	***	
	Trend	100	120	110	104	
Increase/(Decrease) in Cost of Sales	INR/MT		***	(***)	(***)	***
	Trend		100	-51	- 29	
Price Suppression	INR/MT		***	(***)	(***)	***
	Trend		100	-34	-1	

403. CR Coils and Sheets: During the injury analysis period, domestic selling prices declined by Rs. [\*\*\*] PMT and the cost of sales increased by Rs. [\*\*\*] PMT leading to a cumulative price suppression of Rs. [\*\*\*] PMT as shown in the table below.

Particulars	UOM	2021-22	2022-23	2023-24	POI	Cumulative Change
Domestic Selling Price	INR/MT	***	***	***	***	(***)
	Trend	100	93	86	84	
Increase/(Decrease) in Price	INR/MT		(***)	(***)	(***)	
	Trend		100	111	24	
Cost of Sales	INR/MT	***	***	***	***	***
	Trend	100	118	105	104	
Increase/(Decrease) in Cost of Sales	INR/MT		***	(***)	(***)	***
	Trend		100	- 72	-4	
Price Suppression	INR/MT		***	(***)	***	***
	Trend		100	-12	5	

404. Metallic Coated Steel: During the injury analysis period, domestic selling prices declined by Rs. [\*\*\*] PMT and the cost of sales declined by Rs. [\*\*\*] PMT leading to a cumulative price suppression of Rs. [\*\*\*] PMT as shown in the table below.

Particulars	UOM	2021-22	2022-23	2023-24	POI	Cumulative Change
Domestic Selling Price	INR/MT	***	***	***	***	(***)
	Trend	100	89	86	82	
Increase/(Decrease) in Price	INR/MT		(***)	(***)	(***)	
	Trend		100	31	32	
Cost of Sales	INR/MT	***	***	***	***	(***)
	Trend	100	111	100	96	
(***) Increase/(Decrease) in Cost of Sales	INR/MT		***	(***)	(***)	(***)
	Trend		100	- 104	-34	
Price Suppression	INR/MT		***	(***)	***	***
	Trend		100	-31	2	

405. Colour Coated Steel: During the injury analysis period, domestic selling prices declined by Rs. [\*\*\*] PMT and the cost of sales declined by Rs. [\*\*\*] PMT leading to a cumulative price suppression of Rs. [\*\*\*] PMT as shown in the table below.

Particulars	UOM	2021-22	2022-23	2023-24	POI	Cumulative Change
Domestic Selling Price	INR/MT	***	***	***	***	(***)
	Trend	100	94	90	87	
Increase/(Decrease) in Price	INR/MT		(***)	(***)	(***)	
	Trend		100	58	63	
Cost of Sales	INR/MT	***	***	***	***	(***)
	Trend	100	105	97	94	
Increase/(Decrease) in Cost of Sales	INR/MT		***	(***)	(***)	(***)
	Trend		100	-158	-51	
Price Suppression	INR/MT		***	(***)	***	***
	Trend		100	-37	13	

406. As noted above, there is a significant price depression and price suppression caused by increased imports. The fact that significant volume of imports were undercutting the domestic selling prices establish the causal link between the increased imports and the price depression and price suppression. As a consequence, the profitability of the domestic industry has been severely affected, as noted above. If this trend continues, the domestic industry is likely to suffer significant losses in the near future.

407. The Authority has also undertaken the price underselling analysis to examine the magnitude of injury being suffered by the domestic industry for each category of the PUC. For the purpose of carrying out a comprehensive price underselling analysis, landed value (LV) for each category was compared with the fair selling price (FSP) of the domestic industry during POI, Oct 2024 – Mar 2025 (post POI six months) and May 2025 (post imposition of provisional safeguard duty). The price underselling analysis reveals that the landed value was much higher than the fair selling price of the domestic industry in the POI, post POI six months as well as in May 2025 on a cumulative basis.

408. It has been further noted that there is a positive underselling in the case of Colour Coated Steel. However, the share of the imports of Color Coated Steel in the total imports of subject goods is miniscule. It has been also noted that there is a positive price underselling in HR Coils and Sheets during the period October 2024 to March 2025.

Product Types	POI (October 2023 to September 2024)				
	Volume	FSP	LP	IM	IM (%)
HR Coils and Sheets	3,973	***	***	(***)	(***)
HR Plate Mill Plates	892	***	***	(***)	(***)
CR Coils and Sheets	541	***	***	(***)	(***)
Metallic Coated Steel	803	***	***	(***)	(***)
Colour Coated Steel	404	***	***	***	***
<b>Total</b>	<b>6,612</b>	<b>***</b>	<b>***</b>	<b>(***)</b>	<b>(***)</b>

Product Types	October 2024 to March 2025				
	Volume	FSP	LP	IM	IM (%)
HR Coils and Sheets	1494	***	***	***	***
HR Plate Mill Plates	561	***	***	(***)	(***)
CR Coils and Sheets	220	***	***	(***)	(***)
Metallic Coated Steel	466	***	***	(***)	(***)
Colour Coated Steel	144	***	***	***	***
<b>Total</b>	<b>2,886</b>	<b>***</b>	<b>***</b>	<b>(***)</b>	<b>(***)</b>

Product Types	May 2025				
	Volume	FSP	LP	IM	IM (%)
HR Coils and Sheets	94	***	***	(***)	(***)
HR Plate Mill Plates	39	***	***	(***)	(***)
CR Coils and Sheets	26	***	***	(***)	(***)
Metallic Coated Steel	45	***	***	(***)	(***)
Colour Coated Steel	25	***	***	***	***
<b>Total</b>	<b>229</b>	<b>***</b>	<b>***</b>	<b>(***)</b>	<b>(***)</b>

409. The following factors are also relevant in regard to determining the cause-and-effect relationship of increased imports and the serious injury during the POI and the threat of serious injury in the future, to the DI:

- a) Imports have increased significantly in absolute terms, in relation to domestic production, and in relation to demand for the PUC in India.
- b) The increase in imports was recent, sudden, sharp and significant.
- c) Market share of imports have increased from [\*\*\*]% during 2021-22 to [\*\*\*]% during the POI. During the same period, market share of the domestic industry declined by [\*\*\*]%.
- d) Capacity and actual production increased significantly during the injury analysis period. However, volume of production declined by [\*\*\*] MMT ([\*\*\*]%) during POI.
- e) Unutilized capacity of the domestic industry increased to [\*\*\*] MMT during the POI, which accounted for [\*\*\*]% of the capacity.
- f) Average inventory levels increased significantly both in absolute terms, and in terms of number of days of production or sales.
- g) Profitability of the domestic industry declined significantly. PBT in absolute terms declined by [\*\*\*]% during POI compared to the base year 2021-22. PBT per MT declined by [\*\*\*]% during the same period. Consequential decline in PBIT and Cash Profits was also observed.

- h) The profitability of the domestic industry declined during 2022-23 compared to 2021-22. It increased marginally during 2023-24 but declined again during the POI. Compared to the base year, profitability during the POI stands eroded significantly. This shows that precarious financial position of the domestic industry.
- i) No. of employees increased by [\*\*\*]% during 2022-23 over 2021-22 and reached [\*\*\*]. As the domestic industry suffered significant losses during 2022-23, as one of the measures to reduce costs, the number of employees was reduced to [\*\*\*] in 2023-24 and further to [\*\*\*] during the POI.

410. To sum up, a comprehensive evaluation of parameters enumerated above demonstrates that serious injury is being caused to the DI and is likely to continue in future by the significantly increased and continually increasing imports of the PUC. It is also relevant to note that while arriving at this conclusion, all relevant factors of an objective and quantifiable nature having a bearing on determining the causation of serious injury to the DI have been evaluated.

#### M. NON-ATTRIBUTION ANALYSIS

411. As per the Rules, the Authority is required to determine whether increased imports were a cause of the serious injury or threat of serious injury to the domestic industry. Therefore, for the purpose of non-attribution assessment, all relevant factors of an objective and quantifiable nature having a bearing on the situation of the domestic industry were examined. In addition, it was examined whether factors other than increased imports were a cause of injury to the domestic industry. While there are no laid down "other factors" that are required to be evaluated, it was examined whether factors such as changes in technology, regulatory restrictions and contraction in demand, were principal cause of injury to the domestic industry.

##### **(i) Change in Technology**

412. The Authority notes that there are no significant changes in technology. Therefore, the injury to the domestic industry is not attributable to Changes in Technology.

##### **(ii) Regulatory Restrictions**

413. The Authority notes that the injury to the domestic industry is not attributable to regulatory restrictions.

##### **(iii) Contraction in Demand**

414. As seen above, the demand for the product under consideration as a whole is increasing. Therefore, the injury to the domestic industry is not attributable to contraction in demand.

##### **(iv) Pattern of Consumption**

415. There have been no changes in the patterns of consumption. Therefore, injury to the domestic industry is not attributable to changes in the pattern of consumption.

##### **(v) Conditions of Competition And Trade Restrictive Practices**

416. The investigation has not shown that conditions of competition or trade restrictive

practices have changed. Therefore, injury to the domestic industry is not attributable to conditions of competition and trade restrictive practices.

**(vi) Export Performance of the Domestic Industry**

417. The injury analysis is limited only to domestic performance and for the product under consideration. Therefore, injury to the domestic industry is not attributable to the export performance of the domestic industry.

**N. THREAT OF SERIOUS INJURY**

418. The Domestic Industry has claimed that in addition to suffering serious injury, the recent, sudden, sharp and significant increase in imports pose a threat to serious injury. Authority has examined the following aspects with reference to threat of injury: -

**(i) Excess Capacity**

419. As examined above, as per the OECD report on ‘latest developments in steelmaking capacity’<sup>17</sup>, global steelmaking capacity increased by 32.1 MMT to 2459.1 MMT in the year 2022, which is the highest global capacity figure in history. Additionally, there is a significant gap between global capacity and crude steel production. The idle capacity surged to 627.7 MMT in 2022 from 512.6 MMT in 2021. Additionally, the Authority has also examined and noted above that the steel making capacities in large steel producing economies such as Japan and South Korea have increased significantly in the recent period. The percentage of capacity that exceeds the consumption in the case of South Korea and Japan was 101% and 49% respectively in the year 2023. The global excess steelmaking capacity poses a threat of serious injury to the domestic industry.

**(ii) Trade Remedy Actions Globally**

420. As examined above, subsequent to the imposition of 25% additional duty on steel products by the United States under Section 232 of the US Trade Expansion Act, 1962, several countries have imposed trade remedy measures on various steel products. Countries such as the GCC, the EU, Morocco, Canada and the UK had imposed safeguard measures on steel products. Additionally, several WTO Members imposed Antidumping or countervailing duties on imports of steel products into their territories. According to an OECD Report, 129 trade remedy measures were adopted by countries such as the EU, Canada, the UK and others against steel products. The Authority also notes that on 10 February 2025, the USA has announced that it would apply 25% additional duty on steel products with effect from 12 March 2025 uniformly on all imports into the USA from all sources by revoking relaxations and exemptions granted, if any, to various countries. The domestic industry has claimed that consequent to these measures, more imports are expected to bounce off from those countries and India has become more vulnerable to increased imports. The Authority notes that the wave of trade remedy and other protective measures taken against steel products by various countries pose a threat to serious injury to the domestic industry.

421. The domestic industry further submitted that as per a recent report published by the OECD, there have been 81 trade remedy actions on steel products in 2024 alone. Additionally, the domestic industry further submitted that the United States has withdrawn all country exemptions and exclusions granted under the Section 232 Tariffs, which would impact 21MMT of imports of steel into the US. With effect from 4<sup>th</sup> June 2025, the US has increased the Sec.232

measures from 25% to 50%. In addition to the Section 232 tariffs, the US has announced the reciprocal tariffs across all countries. The domestic industry further submitted that the European Union has reduced the quota applicable HR coils in its safeguard measure. The domestic industry also brought to the attention of the Authority the various other trade remedy measures taken by other countries on steel products.

422. The Authority notes that the domestic industry has provided sufficient information regarding the increase in trade remedy actions globally. The other interested parties have merely submitted that trade remedy actions on steel products are cyclical and routine. The Authority notes that the mere fact that trade actions are cyclical does not address the concern that the unprecedented rise in such actions has led to increase in the volume of imports of PUC into India posing a threat of serious injury to the domestic industry.

### **(iii) Export Orientation Of Key Producers**

423. The domestic industry submitted that exports from China more than doubled between 2020 to 2024 to 117 MMT. Chinese exports increased by 7 MMT, i.e., 15% during January to May 2025. The domestic industry further submitted that Russia, which is not a regular exporter to India has booked HRC exports at USD 460 to 465 per MT.

424. As examined above, large steel producing economies such as Japan, South Korea and China have high steel producing capacities, that far exceed their domestic consumption. On account of the excess capacities, the possibility of steel producers in these economies turning to export markets cannot be ruled out, which poses a threat to serious injury to the domestic industry.

### **(iv) Increase in import intensity and lowering of prices**

425. As highlighted in the data analysis done in previous paragraphs of these findings, there is an increase in intensity of the imports, both in terms of quantum as well as their price suppression and depression impact. These trends when extrapolated hold an imminent and near term serious threat of injury to the domestic industry. The domestic industry further submitted that there has been an increase in cost of inputs and decline in selling prices as reported by publicly available sources. It has further been submitted that in order to achieve the objectives of the national steel policy and AtmaNirbhar Bharat, there is a requirement to invest Rs. 2 lakh crore each year till 2030.

## **O. PUBLIC INTEREST**

426. Interested parties have submitted that imposition of the duties would not be in public interest since it would increase the costs to the downstream industries such as construction, automotive, consumer appliances, etc., which would affect the competitiveness of the industry. It has been submitted that such costs would be transferred to the end-users. The other interested parties further submit that the domestic industry does not have the capacity to supply specialized steel products.

427. The domestic industry submitted that there is no data or evidence provided to substantiate the assertion that the duties will result in an increase in costs. The domestic industry stated that several studies have shown that the Section 232 measures “*clearly show[ed] no correlation with inflation*” and only had a temporary effect on overall price levels. The domestic industry further submitted that one MSME producer, namely Assam Roofing Ltd.,

has supported the imposition of the duties. The applicant further submitted that in previous safeguard investigations, the Authority has recommended the imposition of safeguard duties despite the existence of a demand-supply gap. The domestic industry further submitted that the duties are necessary for national security in the light of the current geo-political situation.

428. India is a developing country with development policy objectives to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand.

429. A vibrant Steel industry has historically been the foundation of a nation's rapid Industrial Development. On account of rapid industrial development, from a small capacity of 22 MT in FY 1991-92 prior to deregulation, India had become the 3rd largest steel producer in the world with a production of 90 MT and a capacity of 122 MT in FY 2015-16. By 2017, the Indian steel industry contributed approximately 2% to the country's GDP and employed about 5 lakh people directly and about 20 lakh people indirectly.

430. As such, India's National Steel Policy ("NSP") was announced in 2017 in an effort to steer the industry to achieve its full potential, enhance steel production with focus on high-end value-added steel while being globally competitive in major segments like infrastructure, automobiles and housing. The NSP aspires to achieve 300 MT of steelmaking capacity by 2030 which would translate into additional investment of Rs. 10 lakh Crore by 2030- 31. The NSP seeks to increase per capita steel consumption to the level of 160 Kgs by 2030 from the level of around 60 Kg.

431. Particularly, the NSP notes that global prices of steel began to decline post 2011, marking the beginning of a downturn in the global steel industry triggered by a slowdown in global demand and over capacities in a number of countries including China. This led to significant structural asymmetry between demand and supply, affecting a large number of Indian companies and leading to surge in imports resulting in weak pricing conditions, low profitability, lower capacity utilization and even closure of capacities in some cases.

432. Therefore, India's NSP states that the industry has to be given appropriate policy support to ensure that production of steel matches the anticipated pace of growth in consumption.

433. In the light of the above, when imports increase significantly causing and threatening to cause serious injury to the domestic steel producers, it would in public interest to put in place trade remedy measures in accordance with the law, to protect the domestic producers from injurious imports. In fact, the above stated policy objectives cannot be achieved if increased imports cause serious injury to the domestic steel industry and appropriate steps are not taken to arrest the surge.

434. Section 8B has been enacted in the public interest for the protection of domestic producers, suffering serious injury due to a surge in imports. The law envisages giving protection to such producers, so that they can adjust their business to deal effectively with the imports.

435. Considering the above, it is concluded that imposition of safeguard duty would be in public interest.

## **P. ADJUSTMENT PLAN**

436. The interested parties have argued that it is mandatory for the domestic industry to submit a clear and detailed adjustment plan and that the adjustment plan currently presented by the domestic industry is vague and generic and does not meet the requirements of the Agreement on Safeguards, the Act or the Rules. It is further asserted that the adjustment plan largely reproduces the plans submitted by the applicants in the 2016 safeguard investigation. The interested parties point to prior investigations where the Authority refrained from imposing the measure on account of an inadequate adjustment plan.

437. The domestic industry submitted that the adjustment plan provided by them is fully compliant with the provisions of the AoS and the Rules. The domestic industry further submitted that the adjustment plan provided by it contains sufficient information regarding the initiatives that it intends to take such as optimization of costs, energy efficiency, PLI benefits, etc. The domestic industry disputes the contention by other interested parties that in prior investigation, the Authority declined to recommend duties on the ground that the adjustment plan was not sufficiently detailed. The domestic industry submitted that in prior investigations, it was not only the lack of a sufficiently detailed adjustment plan, but also the absence of other factors such as an increase in imports or serious injury to the domestic industry which were the reasons for the Authority not recommending the imposition of the duties.

438. The Authority notes that the requirement in relation to the adjustment plan has been explained by the Panel in *Korea- Dairy Products* as under:

*"7.108 We wish to make it clear that we do not interpret Article 5.1 as requiring the consideration of an adjustment plan by the authorities, as the European Communities asserts. The Panel finds no specific requirement that an adjustment plan as such must be requested and considered in the text of the Agreement on Safeguards. Although there are references to industry adjustment in two of its provisions, nothing in the text of the Agreement on Safeguards suggests that consideration of a specific adjustment plan is required before a measure can be adopted. Rather, we believe that the question of adjustment, along with the question of preventing or remedying serious injury, must be a part of the authorities' reasoned explanation of the measure it has chosen to apply. Nonetheless, we note that examination of an adjustment plan, within the context of the application of a safeguard measure, would be strong evidence that the authorities considered whether the measure was commensurate with the objective of preventing or remedying serious injury and facilitating adjustment."*

439. The Authority notes that neither the Agreement on Safeguards, nor the Act or the Rules prescribes a format or specifications for an adjustment plan. However, the adjustment plan may be used as a basis for deciding the appropriateness of the measure and whether the measure was commensurate with the objective of preventing or remedying serious injury.

#### Q. CONCLUSION AND RECOMMENDATION:

440. In view of the findings above, the Authority concludes that there is a recent, sudden, sharp and significant increase in imports of PUC into India at the cumulative level as a result of unforeseen developments and the effect of obligations under GATT, causing and threaten to cause serious injury to the domestic industry / producers of PUC.

#### R. DUTY RATE AND PERIOD



441. Certain interested parties submitted that there is no basis for imposition of a safeguard duty at the rate of 25%. It was further submitted that there is no basis for adoption of a 22% return on capital employed in computing the appropriate rate of duty.

442. The domestic industry submitted that the computation of a duty on the basis of a “non-injurious price” is not relevant in safeguard investigations since a provision for computation of the non-injurious price is absent in the safeguard rules and the Agreement on Safeguards. The domestic industry further submitted that in *US – Safeguard Measure on Washers*, the Panel found that Article 5.1 does not require an investigating authority to calibrate the safeguard measure to match the degree of price underselling. According to the Panel:

*"We note that while Article 5.1 provides that a Member shall apply safeguard measures only to the extent necessary to prevent or remedy serious injury, it does not provide any rules requiring the authority to ensure that the safeguard remedy matches the degree of price underselling found, which here is the difference between prices of subject imports and domestic like products. Indeed, such a requirement would be at odds with the fact that the Agreement on Safeguards (a) does not even specifically require a price underselling analysis; and (b) permits the imposition of quantitative restrictions (it is unclear to us how exactly as a mathematical matter a quantitative restriction could be designed to match the degree of price underselling, and in any case, the Agreement on Safeguards does not provide rules on this matter). In this regard, the provisions of the Agreement on Safeguards stand in contrast to, for example, the provisions of the Anti-Dumping Agreement, which require authorities to calibrate their remedy by ensuring that the anti-dumping duty not exceed the margin of dumping established under Article 2 of that agreement (see Article 9.3 of the Anti-Dumping Agreement). Therefore, we do not find any basis in Article 5.1 to require investigating authorities to calibrate their safeguard measures to reflect the degree of price underselling."*

443. The domestic industry further submitted that imposition of 25% rate of duty is appropriate in the light of the threat of serious injury to the domestic industry. According to the domestic industry, the facts indicating threat of serious injury are:

- a) Increase in cost of inputs and decline in selling prices – the domestic industry submitted that iron ore prices increased by 9%, whereas the price of the PUC declined.
- b) Decline in global steel prices – the domestic industry submitted that the global steel export price is at USD 450 per MT in May 2025, which is below the price of USD 475 per MT that prevailed in May 1995. The domestic industry further submitted that steel prices have declined sharply post March 2025.
- c) There is global excess steel capacity – the domestic industry submitted that in the past three years, the world steel demand has declined by 100 MMT. The global surplus steel capacity has increased by 600MMT.
- d) Export orientation – the domestic industry submitted that China’s exports more than doubled between 2020 to 2024. The domestic industry further submitted that China, Japan, Korea and Vietnam contribute to 60% of global steel exports.
- e) The domestic industry further submitted that India is the 2<sup>nd</sup> largest steel producer with steel demand accelerating at a healthy rate of 15-16 MMT annually.

- f) The domestic industry further submitted that there are increasing number of trade actions against steel products.
- g) The domestic industry submitted that the US revoked all exemptions granted to the Section 232 tariffs, which would affect 21 MMT of steel imports into the US.

444. The Authority notes that there is a recent, sudden, sharp and significant increase in import volumes at the cumulative level from 2021-22 to the Period of Investigation (i.e., October 2023 to September 2024). It may be noted that the import trends of the quarter immediately after the POI (i.e., October 2024 to December 2024) show a similar import trend when the data is annualized.

445. The Authority further notes that the C.I.F import price for the PUC as a whole significantly reduced from 2021-22 to the POI. However, the same is above the fair selling price of the domestic industry.

446. During this period, the Return on Capital Employed by the domestic industry for all five product categories has continuously declined.

447. The National Steel Policy 2017 envisages a total steel production of 300 MMT by 2030, which would be essential in furthering the objectives of Atma Nirbhar Bharat. To achieve this target, India would have to set up 18 to 20 MMT of capacity annually, which would require an investment INR 2,00,000 Crore per year.

448. The domestic industry submitted that, given the rising quantity of imports at very low prices, the ROI of the domestic industry has drastically declined. The domestic industry is required to earn sufficient returns on investment in order to be able to achieve its capacity expansion plans. The Authority notes that the imports are above the fair selling price of the domestic industry.

449. The Authority further notes that various other countries have taken trade actions against various steel products. Some of the most recent trade actions undertaken by other countries are given below:

Trade Action	Imposing Country	Product	Target Country	Duty	Effective Date
<b><i>Actions inconsistent with WTO Law</i></b>					
Section-232	US	All steel products	All Countries	Increased to 50%	June 2025
Section-301	US	Various products including Steel	China	25%	September 2024
Additional Import Tariffs	Canada	Steel and Aluminium, among others	China	25%	October 2024
Surtax	Canada	Steel mill products	All non-FTA countries	50% surtax above quota	July 2025
Tariff Increase	Mexico	Steel Products		25% to 50%	August 2023

Trade Action	Imposing Country	Product	Target Country	Duty	Effective Date
<b>Safeguard Measures</b>					
TRQ-Safeguard	Europe	Various steel products	All Countries	25% TRQ upto July 2026	July 2018, extended on June 24, 2024
Safeguard	Brazil	Steel Products	All Countries	25% above quota	May 2025
Safeguard	Turkey	Wire Rod	All Countries	US\$175/MT	June 2024
<b>Antidumping Measures</b>					
Antidumping	Turkey	HR Coil	China	15.42% - 43.31%	October 2024
			Japan	9%	
			India	6.1%-9%	
			Russia	6.1%-9%	
Antidumping	Vietnam	HR Coil	China	23.1% - 27.8%	March 2025
Antidumping	Europe	HR Coil and Sheets	Egypt	12.8%	Provisional finding issued on April 4, 2025
			Japan	6.9% - 32%	
			Vietnam	12.1%	
			India	No duty	
Antidumping	Brazil	CR Coils	China	Provisional findings establish dumping, but no duty imposed yet	Provisional findings issued on March 12, 2025
Antidumping	Brazil	HR Coils	China and Russia	Under investigation	-
Antidumping	Brazil	Colour Coated	China	Provisional findings establish dumping, but no duty imposed yet	March 2025
Antidumping	Korea RP	HR Coils	China and Japan	28.16% - 33.57%	July 2025
Antidumping	Korea RP	HR Plates	China	38%	February 2025

450. The domestic industry submits that India is the only large steel manufacturing economy that does not have a trade measure on steel products as a whole. A rate of duty that is less than 25% would still lead to a price arbitrage as India would comparatively be a more attractive export destination as compared to the other steel producing/importing economies. Therefore, any rate of duty below 25% would not deter the surge in imports into India.

451. The Authority further notes that the Customs Tariff Act, 1975, the Customs Tariff (Safeguard Measures) Rules, 1997 and the Agreement on Safeguards do not provide any guidance as to how the rate of duty must be determined. Further, Rule 11(2) of the Safeguard Rules, which is (*pari materia* with the first sentence of Article 5.1 of the Agreement on Safeguard) states that the “*Director General shall also give its recommendation regarding amount of duty which, if levied, would be adequate to prevent or remedy serious injury and to*

*facilitate positive adjustment*” without any further guidance as to how such rate of duty is to be determined.

452. It is further necessary to consider that US has already imposed 50% duties on Steel products, and several other countries have followed suit, as a result of which huge surplus capacities are lying with several manufacturers in all the major steel manufacturing countries. Therefore, the safeguard duty must address, not only the serious injury suffered by the domestic industry during the POI, but also the threat of serious injury that is likely to arise in the future.

453. The Authority further notes that the EU’s safeguard investigation concerning certain steel products, the European Commission decided to adopt a rate of duty of 25% on the grounds that the same rate of duty was imposed by the US. The European Commission made no determination as to the non-injurious price and the injury margin in the said decision:

*“Contrary to the views of a few interested parties, it is against this backdrop that a 25% level Union off-quota tariff rate is not arbitrary but appears to be fully proportionate measure and perfectly consistent with the objective to protect the Union steel market against a surge of imports, which in the recent period originates to a large extent in the trade deviation that the US protectionist measures are producing. In fact, worldwide steel exporters confronted with a 25 % or 50 % tariff or with restrictive quotas in the US could redirect their exports to the Union above the level of their traditional sales and produce injury to the Union steel industry if there is not a sufficiently deterring hurdle in the Union when imports start exceeding their traditional levels.”*

*“Non-Alloy and Alloy Steel Flat Products”, (“PUC”), namely (a) Hot Rolled (“HR”) coils, sheets and plates, (b) HR Plate Mill Plates (“PMP”), (c) Cold Rolled (“CR”) coils and sheets, (d) Metallic Coated Steel coils and sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium (“Coated”), and (e) Colour Coated coils and sheets, whether or not profiled (“CC”).*

*The following products are excluded from the scope of the PUC:*

- a) Cold Rolled Grain Oriented Electrical Steel (CRGO)*
- b) Cold Rolled Non-Oriented Electrical Steel (CRNO) coils and sheets*
- c) Coated - Electro Galvanized Steel*
- d) Tinplate*
- e) Stainless steel*
- f) Nickel Coated / Nickel Plated Cold Rolled Steel;*
- g) Rubber Coated Steel;*
- h) Electro Galvanised (EG) – Zinc Nickel Coated Steel;*
- i) Bi-Metal Steel / Bi-Metal Sandwich Steel;*
- j) Brass Coated Steel Wire (wire is part of long steel products, which are not even covered in the notice of initiation);*
- k) CRUTONITE;*
- l) INCONEL;*
- m) Stainless Steel Items (which are not even covered in the notice of initiation);*
- n) Aluminium Coated Steel;*
- o) Aluminium Silicon Coated / Hot Dipped Aluminised Silicon Coated Steel;*
- p) Hot Rolled Clad Steel Plate;*

- q) *Nickel Plated Steel / Nickel Plated Strip;*
- r) *Copper Plated Steel;*
- s) *Laminated Electro Galvanized (EGI);*
- t) *Cobalt Plated Steel;*
- u) *Silver Plated Steel;*
- v) *Titanium Clad Plates;*

454. The period and rate of duty shall be as under:

Year 1	12%
Year 2	11.5%
Year 3	11%

455. The Authority notes that the several categories of products are covered within the scope of the PUC and injury to the domestic industry stems from the imports of lower priced subject goods. Taking into account the current serious injury to the domestic industry, and the imminent threat of injury due to the imports of subject goods, the fair selling price and, considering competing interest of all stakeholders, the Authority recommends that the safeguard duty recommended above should not be imposed on the product categories as specified in the corresponding entry in column (2) of the Table below, when imported into India, at or above the import price on CIF basis as mentioned in the corresponding entry in column (3) of the said Table, namely;

Sl. No (1)	Product Category (2)	Import price on CIF basis (3)	Unit (4)	Currency (5)
1.	Hot Rolled coils, sheets and plates	675	MT	USD
2.	Hot Rolled Plate Mill Plates	695	MT	USD
3.	Cold Rolled Coils and Sheets	824	MT	USD
4.	Metallic Coated Steel Coils and Sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium	861	MT	USD
5.	Colour Coated coils and sheets, whether or not profiled	964	MT	USD

#### S. DEVELOPING NATIONS:

456. The proviso to Section 8B(2) of the Customs Tariff Act, 1975 provides that Safeguard Duty shall not be *“applied on an article originating from a developing country so long as the share of imports of that article from that country does not exceed three percent or where the article is originating from more than one developing country, then, so long as the aggregate of the imports from each of such developing countries with less than three percent import share*

*taken together, does not exceed nine percent of the total imports of that article into India*". Further, Notification No.19/2016-Custom (NT), dated 5th February, 2016 specifies the developing countries for the purposes of this provision.

457. Certain interested parties have submitted that the Authority may calculate the country wise share of imports separately for the 5 categories of product concerned so as to determine the share in imports from developing countries. Parties have further submitted that such a methodology is WTO compliant and other countries such as the EU have adopted the same methodology.

458. The Authority has considered the said submissions of the interested parties and the European Commission's final determination in the safeguard investigation concerning certain steel products, wherein the EC undertook a product category-wise developing country exemption analysis. The Authority understands that there is a requirement to examine the developing country exemptions under the proviso to Section 8B(2) of the Act for each of the five product categories separately.

459. Annex 1 to these final findings provides the product category-wise import shares of the individual countries. Based on the product category wise share in imports, the country-wise exemption of developing countries is as follows:

- a) *Hot Rolled coils, sheets and plates* imported from developing countries listed in Notification No. 19/2016-Customs (NT) other than China PR and Viet Nam may be exempt from the application of the safeguard duties.
- b) *Hot Rolled Plate Mill Plates* imported from developing countries listed in Notification No. 19/2016-Customs (NT) other than China PR may be exempt from the application of the safeguard duties.
- c) *Cold Rolled Coils and Sheets* imported from developing countries listed in Notification No. 19/2016-Customs (NT) other than China PR and Nepal may be exempt from the application of the safeguard duties.
- d) *Metallic Coated Steel Coils and Sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium* imported from developing countries listed in Notification No. 19/2016-Customs (NT) other than Viet Nam, China PR and Nepal may be exempt from the application of the safeguard duties
- e) *Colour Coated coils and sheets, whether or not profiled* imported from developing countries listed in Notification No. 19/2016-Customs (NT) other than China PR and Nepal may be exempt from the application of the safeguard duties.

460. Certain interested parties have requested for exclusion of Taiwan and the European Union from the application of the duties. The Authority has recommended exclusion of imports from developing countries, as per notification No.19/2016-Customs (NT) so long as the *share of imports of that article from that country does not exceed three percent of total imports from all sources*.

T. FURTHER PROCESS:

461. An appeal against the order of the Central Government that may arise out of this recommendation shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act.



**(Siddharth Mahajan)**  
**Director General**



**Product Category Wise Import Share of Individual Countries**

Country	Percentage of imports during the POI
<i>Hot Rolled coils, sheets and plates</i>	
Korea Rp	34.10%
Japan	28.20%
China PR	19.90%
Vietnam Soc Rep	17.50%
Nepal	0.20%
Sweden	0.10%
Belgium	0.00%
Germany	0.00%
Hong Kong	0.00%
Indonesia	0.00%
Luxembourg	0.00%
Malaysia	0.00%
Netherland	0.00%
Russia	0.00%
Saudi Arab	0.00%
Taiwan	0.00%
UAE	0.00%
USA	0.00%
<i>Hot Rolled Plate Mill Plates</i>	
China PR	46.60%
Korea RP	38.10%
Japan	7.40%
France	3.60%
Indonesia	2.60%
Sweden	0.70%
Germany	0.50%
Belgium	0.20%
Bangladesh PR	0.10%
U S A	0.10%
Australia	0.00%
Austria	0.00%
Baharain IS	0.00%
Denmark	0.00%
Finland	0.00%
Italy	0.00%
Malaysia	0.00%
Netherland	0.00%
Oman	0.00%
Poland	0.00%
Russia	0.00%
Singapore	0.00%
Slovenia	0.00%
Switzerland	0.00%



Country	Percentage of imports during the POI
UAE	0.00%
U K	0.00%
Ukraine	0.00%
<b><i>Cold Rolled Coils and Sheets</i></b>	
Korea RP	63.80%
Japan	20.70%
China PR	9.30%
Nepal	4.40%
Sweden	0.80%
Malaysia	0.30%
U S A	0.20%
Italy	0.10%
Singapore	0.10%
UAE	0.10%
Austria	0.00%
Belgium	0.00%
Canada	0.00%
France	0.00%
Germany	0.00%
Netherland	0.00%
Poland	0.00%
Russia	0.00%
Spain	0.00%
Switzerland	0.00%
Taiwan	0.00%
Thailand	0.00%
U K	0.00%
Vietnam Soc Rep	0.00%
<b><i>Metallic Coated Steel Coils and Sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium</i></b>	
Korea Rp	53.75%
Japan	16.64%
Vietnam Soc Rep	11.19%
China P Rp	8.95%
Nepal	7.40%
Malaysia	0.51%
U K	0.34%
Belgium	0.23%
Thailand	0.21%
Germany	0.20%
Singapore	0.14%
U S A	0.11%
UAE	0.10%
Bangladesh PR	0.07%
France	0.05%
Netherland	0.03%
Italy	0.02%

Country	Percentage of imports during the POI
Baharain IS	0.02%
Portugal	0.01%
Australia	0.01%
Slovenia	0.01%
Sri Lanka DSR	0.00%
Canada	0.00%
Greece	0.00%
Hungary	0.00%
Kuwait	0.00%
Poland	0.00%
Spain	0.00%
Sweden	0.00%
Taiwan	0.00%
Luxembourg	0.00%
Mexico	0.00%
N. Mariana IS	0.00%
<i>Colour Coated coils and sheets, whether or not profiled</i>	
China PR	71.20%
Korea RP	17.30%
Nepal	7.40%
Japan	2.10%
Vietnam Soc Rep	1.20%
Belgium	0.30%
Bangladesh Pr	0.20%
Canada	0.10%
U Arab Emts	0.10%
Germany	0.00%
Italy	0.00%
Netherland	0.00%
Portugal	0.00%
Taiwan	0.00%
U S A	0.00%